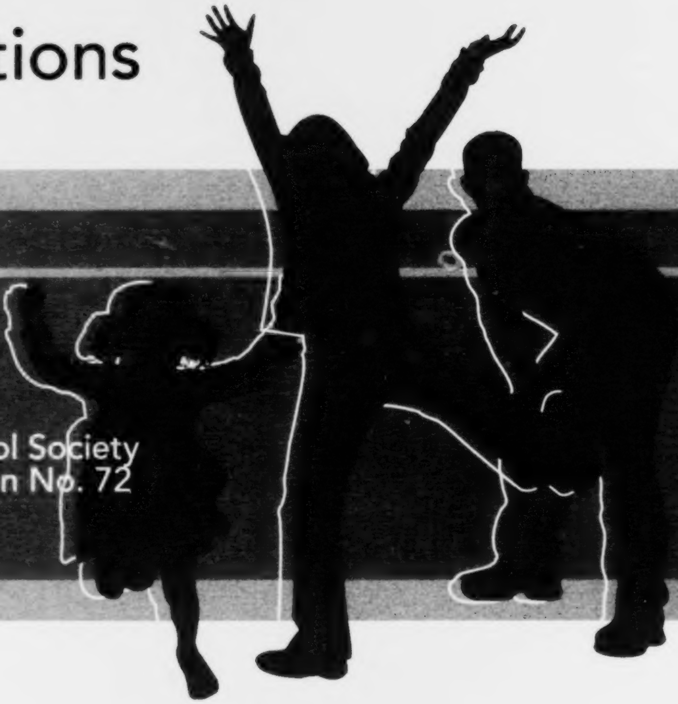
School Jurisdictions



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Section 3

New Horizons Charter School Society
to Wolf Creek School Division No. 72

Audited Financial Statements

For the Year Ended August 31, 2006

Alberta
Education

A printed copy of the audited financial statements of school jurisdictions (in three volumes) is available for reference at the following Alberta depository libraries:

- Alberta Legislature Library
- Alberta Provincial Archives
- Calgary Public Library
- Edmonton Public Library
- University of Alberta Library
- University of Calgary Library
- University of Lethbridge Library

These audited financial statements are available on the Internet
http://www.education.gov.ab.ca/funding/afs/

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2008-03226/

School Jurisdictions Audited Financial Statements

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Almadina School Society
to Evergreen Catholic Separate
Regional Division No. 2

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FFCA Charter School Society to Mother Earth's Children's Charter School Society

Section 2 of this report is published under separate cover. It provides the audited financial statements for the year ended August 31, 2006 submitted by school jurisdictions whose legal name begins with the letters F through M inclusive.

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Section 3 - School Jurisdictions N - Z

New Horizons Charter School Society to Wolf Creek School Division No. 72

For the Year ended August 31, 2006

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Sturgeon School Division No. 24 1531
Suzuki Charter School Society 1553
Westmount Charter School Society 1571
Westwind School Division No. 74 1593
Wetaskiwin Regional Division No. 11 1613
Wild Rose School Division No. 66 1635
Wolf Creek School Division No. 72 1657

School Jurisdiction Code: 8015

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

NEW HORIZONS CHARTER SCHOOL SOCIETY
Legal Name of School Jurisdiction

3 Spruce Avenue, Sherwood Park, Alberta T8A 2B6
Mailing Address

(780) 467-6409 and (780) 417-1786
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules NEW HORIZONS CHARTER SCHOOL SOCIETY (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Name	Signature
Kevin Dodds	"ORIGINAL SIGNED"

SUPERINTENDENT

Name	Signature
Jim Rigby	"ORIGINAL SIGNED"

SECRETARY TREASURER OR TREASURER

Name	Signature
G. (Fred) de Kleine	"ORIGINAL SIGNED"

25-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 6015

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J. P. Vleeming Professional Corporation
Chartered Accountant

AUDITOR'S REPORT

To the Board of Directors of
NEW HORIZONS CHARTER SCHOOL SOCIETY,

I have audited the statement of financial position of the New Horizons Charter School Society as at August 31, 2006, and the statement of revenue and expenses, cash flows, changes in net assets, and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material aspects, the financial position of the Society as at August 31, 2006 and the results of its operations, changes in cash flows and net assets for the year then ended, in accordance with Canadian generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountant

Sherwood Park, Alberta
November 25, 2006

325 Estate Drive, Sherwood Park, Alberta T8B 1L8 Telephone (780) 449-6143 Fax (780) 417-2075

School Jurisdiction Code: 6015

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$350,431	$266,565
Accounts receivable (net after allowances)		$32,610	$69,888
Prepaid expenses		$16,650	$17,235
Other current assets		$0	$0
Total current assets		$399,691	$353,688
School generated assets		$7,277	$6,596
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$0		
Less: accumulated amortization	$0	$0	$0
Equipment	$0		
Less: accumulated amortization	$0	$0	$0
Vehicles	$0		
Less: accumulated amortization	$0	$0	$0
Total capital assets		$0	$0
TOTAL ASSETS		$406,968	$360,284
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$33,660	$35,502
Deferred revenue		$700	$61,741
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$34,360	$97,243
School generated liabilities		$7,277	$6,596
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$0	$0
	Less: Current portion of supported debt	$0	$0
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$0	$0
Total long term liabilities		$7,277	$6,596
TOTAL LIABILITIES		$41,637	$103,839
NET ASSETS			
Unrestricted net assets		$229,230	$165,182
Operating Reserves		$49,048	$8,795
Accumulated Operating Surplus (Deficit)		$278,278	$173,977
Investment in capital assets		$0	$0
Capital Reserves		$87,053	$82,468
Total Capital Funds		$87,053	$82,468
Total net assets		$365,331	$256,445
TOTAL LIABILITIES AND NET ASSETS		$406,968	$360,284

Note: Input "**(Restated)**" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 6015

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$1,318,756	$1,326,562	$1,212,539
Federal Government and/or First Nations	$743	$728	$0
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$18,033	$18,606	$17,460
Transportation fees	$0	$0	$0
Other sales and services	$11,489	$10,909	$11,255
Investment income	$10,212	$7,400	$8,888
Gifts and donations	$0	$0	$0
Rentals of facilities	$6,198	$5,000	$6,865
Net school generated funds	$24,137	$7,550	$6,383
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$0	$0	$0
Total Revenues	$1,389,568	$1,376,755	$1,263,390
EXPENSES			
Certificated salaries	$590,698	$645,031	$540,004
Certificated benefits	$56,976	$60,370	$51,299
Uncertificated salaries and wages	$95,995	$90,165	$74,764
Uncertificated benefits	$8,729	$7,275	$7,247
Services, contracts and supplies	$503,193	$529,338	$509,710
Net school generated funds	$24,137	$7,550	$6,383
Capital and debt services			
Amortization of capital assets			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Amortization of capital assets	$0	$0	$0
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$954	$950	$933
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$1,280,682	$1,340,679	$1,190,340
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$108,886	$36,076	$73,050
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$108,886	$36,076	$73,050

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$108,886	$73,050
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	$0	$0
Total amortization expense	$0	$0
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$37,278	($16,053)
Prepaids and other current assets	$585	($2,908)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($1,842)	($62,945)
Deferred revenue	($61,041)	($41,209)
Employee future benefit expense (recovery)	$0	$0
Other (describe)		$0
Total sources (uses) of cash from Operations	$83,866	($50,065)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	$0
Equipment	$0	$0
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	$0	$0
C. FINANCING ACTIVITIES		
Capital allocations	$0	$0
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$0	$0
Net sources (uses) of cash during year	$83,866	($50,065)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$266,565	$316,630
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$350,431	$266,565

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 6015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$256,445	$0	$165,182	$91,263		$0	$0	$0	$434	$82,468	$8,361	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$256,445	$0	$165,182	$91,263	$0	$0	$0	$0	$434	$82,468	$8,361	$0	$0	$0
Excess(def) of revenue over expenses	$108,886		$108,886											
Board funded capital transactions		$0		$0		$0	$0	$0	$0		$0	$0	$0	$0
Direct credits to net assets	$0													
Amortization of capital assets		$0	$0											
Amortization of capital allocations		$0	$0											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($40,687)	$40,687	$40,000		$0				$687		$0	
Net transfers from operating reserves			$434	($434)			$0		($434)		$0		$0	
Net transfers to capital reserves			($4,585)	$4,585		$0		$0		$4,585		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$365,331	$0	$229,230	$136,101	$40,000	$0	$0	$0	$0	$87,053	$9,048	$0	$0	$0

School Jurisdiction Code: 6015

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$0	$0
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$0	$0
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$0
Expended capital allocations - current year		$0	$0
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$0
Balance at August 31, 2006		$0	$0

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Purpose of the Society

The Society delivers education programs under the authority of the School Act, Chapter S-3, Revised Statutes of Alberta, 2000. The society is registered under the Societies Act.

The Society receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Society is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. Significant Accounting Policy

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

A. Revenue Recognition

Instruction and support funding allocations are recognized as revenue in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

B. Capital Assets

Only capital assets with costs in excess of $5,000 are capitalized in the current year. Any capital allocations received for asset additions are amortized over the same period as the related asset.

2. Significant Accounting Policy (Continued)

C. School Generated Funds

These are funds in the community, which come under the control and the responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees etc.) The unused funds are deferred to the subsequent year in accordance with the Task Force Report on School Board Reporting in Alberta.

D. Contributed Services

Volunteers contribute a considerable number of hours per year to the Society to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

E. Pensions

Pension cost included in these statements comprise the cost of employer contributions for current service of employees during the year.
The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Society does not make pension contributions for certified staff.

F. Operating and Capital Reserves

Reserves are established at the discretion of the Board of Directors of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006

3. Short-term Investments

	2006	2005
Province of British Columbia Bond	**$84,076**	$79,490
Guaranteed Investment Certificate #4	**153,600**	150,000
Guaranteed Investment Certificate #6	**35,794**	0
Guaranteed Investment Certificate #5	**0**	35,444
	$273,470	$264,934

The British Columbia bond earns interest at a rate of 5.69% if held to its maturity date of November 19, 2006.

Guaranteed Investment Certificate #4 earns at a rate of 2.45% per annum and matures on November 22, 2006.

Guaranteed Investment Certificate #6 earns interest at a rate of 2.45% per annum and matures on November 17, 2006.

4. Accounts and Grants Receivable

	2006	2005
Alberta Education	**$17,091**	$7
Goods and Services Tax	**11,921**	6,642
Interest Receivable	**3,597**	2,998
Alberta Infrastructure	**0**	59,912
Other	**0**	329
	$32,609	$69,888

5. Deferred Revenue

	2006	2005
Resource Fees	**$700**	$516
Alberta Education	**0**	4,718
Alberta Infrastructure	**0**	56,507
	$700	$61,741

6. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Directors for future operating and capital expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	2006	2005
Operating Reserves		
Maternity Leave	$40,000	$0
Transportation	9,048	8,361
Board and System Administration	0	434
	$49,048	$8,795
Capital Reserve		
Building - Unsupported	#REF!	#REF!

7. Operating Lease Commitment

The Charter School has leased a photocopier. The photocopier is leased at $1,502 per quarter and expires in August, 2010. The future minimum annual payments as of August 31, 2006 under the operating lease are:

2007	$6,008
2008	$6,008
2009	$6,008
2010	$4,506
	$22,530

8. Net School Generated Assets

	2006	2005
Balance, Beginning of Year	**$6,596**	$5,755
Plus: Sources of School Generated Funds	**24,818**	7,224
	31,414	12,979
Less: Application of School Generated Funds	**24,137**	6,383
Balance, End of Year	**$7,277**	$6,596

9. Financial Instruments

A. Interest Risk

The Society's revenues are exposed to financial risk that arises from fluctuations in interest rates and the degree of volatility of these rates. The Society does not use derivative instruments to reduce its exposure to interest risk.

B. Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. However, the Society has not incurred significant bad debts in the past three years.

C. Fair Value of Financial Instruments

The fair value of the Society financial instruments approximates their carrying value.

10. Economic Dependence on Related Third Party

The Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependant on this funding.

11. Budgeted Amounts

The budget was prepared by the Society's management, and approved by the Board of Directors on June 21, 2005. It is presented for information purposes only and has not been audited.

12. Comparative Figures

The actual 2005 comparative figures have been reclassified where necessary to conform to actual 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 6015

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$1,277,062	$943,266	$247,337	$9,618	$76,841	$0
(2) **Alberta Infrastructure & Transportation**	$37,465	$0	$37,465			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$4,229	$0	$4,229	$0	$0	$0
(5) **Federal Government and/or First Nations**	$743	$743	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$18,033	$18,033				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$11,489	$11,489	$0	$0	$0	$0
(12) **Investment income**	$10,212	$5,627	$4,585	$0	$0	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$6,198	$6,198	$0	$0	$0	$0
(15) **Net school generated funds**	$24,137	$24,137			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$0	$0	$0	$0		$0
(18) **TOTAL REVENUES**	$1,389,568	$1,009,493	$293,616	$9,618	$76,841	$0
EXPENSES						
(19) **Certificated salaries**	$590,698	$590,698			$0	$0
(20) **Certificated benefits**	$56,976	$56,976			$0	$0
(21) **Uncertificated salaries and wages**	$95,995	$95,995	$0	$0	$0	$0
(22) **Uncertificated benefits**	$8,729	$8,729	$0	$0	$0	$0
(23) **SUB - TOTAL**	$752,398	$752,398	$0	$0	$0	$0
(24) **Services, contracts & supplies**	$503,193	$169,192	$247,000	$8,931	$78,070	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$24,137	$24,137				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$0	$0	$0	$0	$0	$0
(28) Unsupported	$0	$0	$0	$0	$0	$0
(29) Total Amortization	$0	$0	$0	$0	$0	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$954	$0	$0	$0	$954	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$1,280,682	$945,727	$247,000	$8,931	$79,024	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$108,886	$63,766	$46,616	$687	($2,183)	$0

School Jurisdiction Code: 6015

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$61,056
Base Instruction (Gr 1-12)	$717,267
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$436,302
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$2,047
Provincial Priority Targeted Funding	
Class Size Initiative	$36,537
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$20,468
High Speed Networking	$0
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe):	$3,385
Total Alberta Education Revenues	$1,277,062

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 6015

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$76,566	$35,082	$17,252		$0	$0	$128,900
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$0	$0		$0		$0
ECS Program Unit (PUF)	$0	$0	$0		$0		$0
Severe Disabilities (Gr 1-12)	$0	$36,909	$750		$0		$37,659
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$62,075	$0	$425		$0		$62,500
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$158	$0	$20,617	$0	$0		$20,775
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$0		$0		$0
Class Size	$31,144	$5,620	$0	$0	$0		$36,764
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$477,730	$27,114	$103,229	$26,920	$0	$24,137	$659,129
TOTAL EXPENSES	$647,673	$104,725	$142,273	$26,920	$0	$24,137	$945,727

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	2.5

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 6015

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$1,280,682**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$76,841
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$57,222	$76,841
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$76,841**
Less: 2005/2006 Board and System Administration expenses		-$79,024
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		-$2,183

School Jurisdiction Code: 6015

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$6,596
Source of Net School Generated Funds:				
Fundraising activities	$6,035	$0	$6,035	
Student fees (Non-Instructional) (Note 2)	$7,069	$0	$7,069	
Donations and grants to schools	$11,715	$0	$11,715	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$24,819	$0		$24,819
Net SGF Available for Spending				$31,415
Application of Net School Generated Funds:				
Extra-curricular activities			$7,014	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe): Fees & Supplies			$17,124	
Net SGF Expended (Note 3)				$24,138
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$7,277

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 6015

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$0	$0	$0		$0
Uncertificated benefits	$0	$0	$0	$0	$0	$0		$0
Sub-total Remuneration	$0	$0	$0	$0	$0	$0		$0
Contracted Services	$30,224	$157,623	$0	$0	$0	$187,847		$187,847
Supplies	$1,315	$4,834	$0	$0	$0	$6,149		$6,149
Electricity			$17,947			$17,947		$17,947
Natural Gas/Heating Fuel			$17,812			$17,812		$17,812
Sewer and Water			$5,100			$5,100		$5,100
Telecommunications			$0			$0		$0
Insurance					$12,145	$12,145		$12,145
Amortization of capital assets								
Supported							$0	$0
Unsupported						$0		$0
Total Amortization						$0	$0	$0
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$31,539	$162,457	$40,859	$0	$12,145	$247,000	$0	$247,000
SQUARE METRES								
School Buildings								1,428.1
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 6015

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Dodds, Kevin	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Frunchak, Stu	1.0	$0	$0	$0			$0	$0
Name	Sanford, Lincoln	1.0	$0	$0	$0			$0	$0
Name	Shorter, Mike	1.0	$0	$0	$0			$0	$0
Name	vanWieren, Nicole	1.0	$0	$0	$0			$0	$263
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$0*	*$0*	*$0*			*$0*	*$263*
Superintendent	Rigby, Jim	0.4	$27,000	$0	$0	$0	$0	$27,000	$970
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	de Kleine, G. (Fred)	0.3	$24,000	$0	$0	$0	$0	$24,000	$1,800
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		10.5	$590,698	$56,975	$0	$0	$0	$647,673	
Uncertificated Salaries & Wages		4.4	$95,995	$8,729	$0	$0	$0	$104,724	
TOTALS			**$737,693**	**$65,704**	**$0**	**$0**	**$0**	**$803,397**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 2275

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Northern Gateway Regional Division No. 10
Legal Name of School Jurisdiction

4104 Kepler Street; Box 840; Whitecourt, Alberta; T7S 1M8
Mailing Address

(780) 778-2800 (780) 778-6719
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Northern Gateway Regional Division No. 10 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Gerry Steinke	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
Kevin Andrea	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
Michael Gramatovich	"ORIGINAL SIGNED"
Name	Signature

24-Oct-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 2275

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Clews & Shoemaker
CHARTERED ACCOUNTANTS
Graham Rex Clews Professional Corporation ✦ John S. Shoemaker Professional Corporation

AUDITOR'S REPORT

To the Board of Trustees of the Northern Gateway Regional Division No. 10:

We have audited the statement of financial position of Northern Gateway Regional Division No. 10 as at August 31, 2006, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Gateway Regional Division No. 10 as at August 31, 2006, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clews & Shoemaker

Westlock, Alberta
October 20, 2006

CHARTERED ACCOUNTANTS

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School Jurisdiction Code: 2275

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$7,788,369	$505,701
Accounts receivable (net after allowances)		$1,091,499	$2,534,470
Prepaid expenses		$376,960	$125,305
Other current assets		$0	$0
Total current assets		$9,256,828	$3,165,476
School generated assets		$835,333	$913,775
Trust assets		$206,461	$220,762
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$2,069,465	$2,177,111
Buildings	$70,234,733		
Less: accumulated amortization	($17,811,597)	$52,423,136	$47,989,576
Equipment	$2,776,931		
Less: accumulated amortization	($2,096,315)	$680,616	$570,187
Vehicles	$3,029,385		
Less: accumulated amortization	($1,959,214)	$1,070,171	$1,402,186
Total capital assets		$56,243,388	$52,139,060
TOTAL ASSETS		$66,542,010	$56,439,073
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,183,437	$559,776
Deferred revenue		$3,205,931	$584,627
Deferred capital allocations		$44,052	$43,151
Current portion of all long term debt		$996,411	$1,175,583
Total current liabilities		$5,429,831	$2,363,137
School generated liabilities		$835,333	$913,775
Trust liabilities		$206,461	$220,762
Employee future benefits liability		$25,728	$44,639
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$5,517,967	$6,496,265
Less: Current portion of supported debt		($871,089)	($978,298)
Unsupported: Debentures and Capital Loans		$189,709	$386,994
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($125,322)	($197,285)
Other long term liabilities		$0	
Unamortized capital allocations		$44,568,206	$38,655,327
Total long term liabilities		$50,346,993	$45,542,179
TOTAL LIABILITIES		$55,776,824	$47,905,316
NET ASSETS			
Unrestricted net assets		$489,458	$489,458
Operating Reserves		$3,243,054	$1,341,620
Accumulated Operating Surplus (Deficit)		$3,732,513	$1,831,078
Investment in capital assets		$5,967,506	$6,600,474
Capital Reserves		$1,065,170	$102,204
Total Capital Funds		$7,032,675	$6,702,678
Total net assets		$10,765,188	$8,533,756
TOTAL LIABILITIES AND NET ASSETS		$66,542,011	$56,439,072

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 2275

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$45,927,270	$43,793,867	$43,881,636
Federal Government and/or First Nations	$1,441,369	$1,021,772	$1,303,445
Other Alberta school authorities	$1,600	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$75,454	$0	$4,261
Instruction resource fees	$301,057	$245,770	$243,787
Transportation fees	$30,482	$25,000	$31,573
Other sales and services	$392,894	$6,000	$64,365
Investment income	$159,271	$65,000	$67,092
Gifts and donations	$12,400	$0	$49,400
Rentals of facilities	$126,915	$148,000	$164,151
Net school generated funds	$835,334	$963,457	$962,596
Gains on disposal of capital assets	$304,552	$0	$12,086
Amortization of capital allocations	$1,552,834	$1,528,490	$1,677,313
Total Revenues	$51,161,432	$47,797,356	$48,461,704
EXPENSES			
Certificated salaries	$22,988,753	$22,796,340	$22,299,501
Certificated benefits	$2,413,326	$2,470,472	$2,430,088
Uncertificated salaries and wages	$7,084,926	$6,515,019	$6,946,442
Uncertificated benefits	$1,570,532	$1,425,956	$1,503,615
Services, contracts and supplies	$11,148,309	$11,597,024	$10,789,830
Net school generated funds	$835,334	$963,457	$962,596
Capital and debt services			
Amortization of capital assets			
Supported	$1,552,834	$1,528,490	$1,677,313
Unsupported	$682,156	$813,581	$813,543
Total Amortization of capital assets	$2,234,990	$2,342,071	$2,490,856
Interest on capital debt			
Supported	$625,601	$621,361	$732,011
Unsupported	$24,378	$24,189	$39,944
Total Interest on capital debt	$649,979	$645,550	$771,955
Other interest charges	$473	$2,500	$209
Losses on disposal of capital assets	$3,378	$0	$65,731
Total Expenses	$48,930,000	$48,758,389	$48,260,824
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$2,231,432	($961,033)	$200,880
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$2,231,432	($961,033)	$200,880

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 2275

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$2,231,432	$200,880
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,552,834)	($1,677,313)
Total amortization expense	$2,234,990	$2,490,856
Gains on disposal of capital assets	($304,552)	($12,086)
Losses on disposal of capital assets	$3,378	$65,731
Changes in accrued accounts:		
Accounts receivable	$1,442,971	($407,294)
Prepaids and other current assets	($251,655)	$230,668
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$623,661	($449,872)
Deferred revenue	$2,621,304	($87,385)
Employee future benefit expense (recovery)	($18,911)	($53,738)
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$7,029,784	$300,448
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($6,719,770)	($991,032)
Equipment	($248,255)	($129,444)
Vehicles	($37,090)	$0
Net proceeds from disposal of capital assets	$966,969	$12,086
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($6,038,146)	($1,108,390)
C. FINANCING ACTIVITIES		
Capital allocations	$6,488,316	$933,046
Issue of long term debt	$0	$0
Repayment of long term debt	($1,175,583)	($1,261,024)
Add back: supported portion	$978,298	$1,078,610
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$6,291,031	$750,631
Net sources (uses) of cash during year	$7,282,668	($57,311)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$505,701	$563,012
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$7,788,369	$505,701

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2275

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$8,533,756	$6,600,474	$489,458	$1,443,824	$1,148,474	$19,996	($67,863)	$28,926	$295,704	$0	($34,695)	$53,282	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$8,533,756	$6,600,474	$489,458	$1,443,824	$1,148,474	$19,996	($67,863)	$28,926	$295,704	$0	($34,695)	$53,282	$0	$0
Excess(def) of revenue over expenses	$2,231,432		$2,231,432											
Board funded capital transactions		$517,698	$0	($517,698)	($408,680)	$0	($101,217)	$0	$0	$0	($7,801)	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,234,990)	$2,234,990											
Amortization of capital allocations		$1,552,834	($1,552,834)											
Disposal of unsupported capital assets	$0	($665,795)	($301,174)	$966,969		$0		$920,881		$0		$46,088		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$197,285	($197,285)											
Net transfers to operating reserves			($2,419,132)	$2,419,132	$1,153,102		$548,481		$263,827		$453,722		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($12,811)	$12,811		$0		$12,811		$0		$0		$0
Net transfers from capital reserves			$16,814	($16,814)		$0		($16,814)		$0		$0		$0
Balance at August 31, 2006	$10,765,188	$5,967,506	$489,458	$4,308,224	$1,892,897	$19,996	$379,401	$945,804	$559,531	$0	$411,226	$99,370	$0	$0

School Jurisdiction Code: 2275

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$43,151	$38,655,327
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$43,151	$38,655,327
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$6,487,415	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$901	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$978,298
Expended capital allocations - current year		($6,487,415)	$6,487,415
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,552,834
Balance at August 31, 2006		$44,052	$44,568,206

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

NORTHERN GATEWAY REGIONAL DIVISION #10

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the School Act, Revised statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta School Jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province for new construction are recorded as deferred capital allocations until spent. Once spent, the capital allocations are transferred to unamortized capital allocations, which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Capital allocations for the purpose of debt repayment are recorded as unamortized capital allocations.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value, when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

(c) Capital Assets

Capital assets are recorded at cost, except for contributed assets which are recorded at the estimated fair market when acquired. The capital assets are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5% to 5%
Equipment and furnishings	10% to 20%
Vehicles and buses	10% to 20%

Only capital assets with a cost in excess of $5,000 are capitalized. Assets with a cost less than $5,000 are treated as current operating expenses. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

(d) School Generated Funds

These are funds which come under the control and responsibility of the school principal for school activities. These funds are collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the Regional Division because the accountability, control and ownership of these funds rests with the Regional Division's officials or their appointees.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Pensions

Pension cost included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Northern Gateway Regional Division #10 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $370,133 ($224,061 in 2005) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558 (2004 deficiency of $1,288,924,000).

(f) Contributed Services

Volunteers contribute a considerable number of hours per year to assist schools within the Regional Division in the delivery of programs, including but not limited to, kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are generally not otherwise purchased, contributed services are not recognized in the financial statements.

(g) Inventories

The Regional Division expenses all items under $5,000 as current operating expenses and, therefore, does not track inventories of supplies in its financial statements.

(h) Financial Instruments

The Regional Division's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long term debt. It is management's opinion that the Regional Division is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values. The Regional Division has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for future operating or capital expenditures. Such reserves represent appropriations of accumulated surplus (unrestricted net assets).

(j) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses related costs. As at August 31, 2006, the recorded obligation is $25,728 (2005 $44,639). The total expense recorded in the financial statements is $18,911.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 76,139	$ 43,571
Alberta Infrastructure and Transportation	-	1,523,545
Alberta Finance	325,889	384,734
Other Province of Alberta	-	3,705
Federal Government	397,658	291,719
First Nations	220,519	56,349
Other Alberta School Jurisdictions	-	8,407
Other	71,294	222,440
	$ 1,091,499	$ 2,534,470

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $1,000,000 that bears interest at the bank prime rate plus 1/4%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

NORTHERN GATEWAY REGIONAL DIVISION #10

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2006

5. DEFERRED REVENUE

	2006	2005
Onoway Elementary school	$ 2,529,748	$ -
One time block funding	-	27,371
AISI	23,544	78,099
Whitecourt concept study	848	848
Valleyview concept study	80,294	80,294
IMP	131,123	116,053
Prepaid transportation fees	-	4,585
Pat Hardy Portables	195,515	-
One time textbook	19,260	98,117
Class size initiative	35,553	32,364
Video conferencing	5,406	146,068
Block Mod 2001 balance	-	828
Richvalley Modernization	153,568	-
Percy Baxter Project	31,071	-
	$ 3,205,930	$ 584,627

6. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for the following areas;

	2006	2005
Endowment funds for scholarships	$ 206,461	$ 211,614
Rental damage deposits	-	9,148
	$ 206,461	$ 220,762

7. LONG TERM DEBT

	2006	2005
Debentures repayable to Alberta Municipal Financing Corporation at $2,587,868 per year, including interest at rates of 6.875% to 12.0%. Debenture debt is issued on the credit and security of the Regional Division and matures between 2002 and 2019. Certain of these debentures are eligible for Provincial support. These debentures funded the construction of school buildings with a net carrying amount of $47,954,951.	$ 5,592,449	$ 6,580,845
Johnson Controls Ltd. financing agreement, repayable at $10,750 per month including interest at a rate of 7.0%, plus an additional $75,000 principal on the anniversary of the completion of the project. The agreement, used to fund the energy retrofit project, matures in December 2006 and is secured by certain property with a net book value of $953,033.	115,225	302,413
	5,707,674	6,883,258
Less: Current portion	996,413	1,175,573
	$ 4,711,261	$ 5,707,685

The payments of principal required to meet long term debt obligations in each of the next five years are as follows:

	Supported Principal	Unsupported Principal
2007	$ 871,089	$ 125,324
2008	797,210	10,097
2009	722,892	10,097
2010	633,783	10,097
2011	528,818	10,097
Thereafter	1,964,174	23,996
	$ 5,517,966	$ 189,708

8. CONTINGENCY

The Regional Division is a member of a reciprocal insurance exchange called (ALAIRE). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the current year as the value of equity is subject to liability claims.

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure had not yet been made at year-end. The unamortized capital allocations account when expended, these deferral capital allocations are transferred to unamortized capital allocations.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been exponded, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now exponded, as well as fully-supported debenture principal repayments.

11. INTERFUND TRANSFERS

During the year the Regional Division transferred the following amounts between funds:

	2006	2005
a) Transfers between restricted operating reserves and unrestricted net assets:		
Current operating revenues in excess of expenditures	$ 2,231,432	$ 200,880
Amortization of capital assets	2,234,990	2,490,856
Amortization of capital allocations	(1,552,834)	(1,677,313)
(Gain)/Loss on disposal of capital assets	(301,174)	53,645
Principal payments on unsupported debt	(197,285)	(182,415)
Interest transfer for Capital Supported Allocations	901	1,015
Net transfer from unrestricted to restricted funds	$ 2,416,030	$ 886,668
b) Transfers between restricted operating reserves and capital reserves:		
	$ 3,102.00	$ 13,562.00
Net transfer from capital reserves to restricted operating reserves	$ 3,102.00	$ 13,562.00

12. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

13. CAPITAL RECONCILIATION

	2006	2005
A. Total capital assets	$56,243,388	$52,139,059
Deduct: Long Term debt		
- supported	(5,517,967)	(6,496,265)
- unsupported	(189,709)	(386,994)
Net total	$50,535,712	$45,255,800
B. Unamortized capital allocations	44,568,206	38,655,327
Add: Investment in capital assets	5,967,506	6,600,474
Net total	50,535,712	45,255,801
C. Variance	$ -	$ (1)

15. COMMITMENTS

a) Building Projects

The jurisdiction is committed to further capital expenditures at Onoway Elementary School and Pat Hardy Elementary Schools. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

b) Leases

The jurisdiction is committed to equipment leases at it's various schools in the amount of $1,060,108 repayable as follows:

2007	$ 215,003
2008	$ 215,003
2009	$ 215,003
2010	$ 215,003
	$ 860,012

16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Northern Gateway Regional Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

SCHEDULE A to the AFS

School Jurisdiction Cod 2275

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$45,062,858	$34,099,397	$4,665,532	$4,385,463	$1,912,466	$0
(2) **Alberta Infrastructure & Transportation**	$240,994	$0	$240,994			
(3) **Alberta Finance**	$625,601		$625,601			$0
(4) **Other - Government of Alberta**	($2,183)	$0	($2,183)	$0	$0	$0
(5) **Federal Government and/or First Nations**	$1,441,369	$1,344,218	$97,151	$0	$0	$0
(6) **Other Alberta school authorities**	$1,600	$0	$0	$1,600	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$75,454	$75,454	$0	$0	$0	$0
(9) **Instruction resource fees**	$301,057	$301,057				
(10) **Transportation fees**	$30,482			$30,482		
(11) **Other sales and services**	$392,894	$309,659	$2,890	$76,735	$3,610	$0
(12) **Investment income**	$159,271	$157,361	$1,447	$174	$289	$0
(13) **Gifts and donations**	$12,400	$12,400	$0	$0		$0
(14) **Rentals of facilities**	$126,915	$0	$126,915	$0	$0	$0
(15) **Net school generated funds**	$835,334	$835,334			$0	
(16) **Gains on disposal of capital assets**	$304,552	$0	$292,054	$12,498	$0	$0
(17) **Amortization of capital allocations**	$1,552,834	$0	$1,552,834	$0		$0
(18) **TOTAL REVENUES**	$51,161,432	$37,134,880	$7,603,235	$4,506,952	$1,916,365	$0
EXPENSES						
(19) **Certificated salaries**	$22,988,753	$22,734,558			$254,195	$0
(20) **Certificated benefits**	$2,413,326	$2,393,835			$19,491	$0
(21) **Uncertificated salaries and wages**	$7,084,926	$4,952,995	$687,977	$716,444	$727,510	$0
(22) **Uncertificated benefits**	$1,570,532	$1,119,070	$151,625	$136,811	$163,026	$0
(23) **SUB - TOTAL**	$34,057,537	$31,200,458	$839,602	$853,255	$1,164,222	$0
(24) **Services, contracts & supplies**	$11,148,309	$3,945,899	$3,529,679	$3,187,156	$485,575	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$835,334	$835,334				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,552,834	$0	$1,552,834	$0	$0	$0
(28) Unsupported	$682,156	$261,300	$93,056	$298,168	$29,632	$0
(29) Total Amortization	$2,234,990	$261,300	$1,645,890	$298,168	$29,632	$0
Interest on capital debt						
(30) Supported	$625,601	$0	$625,601	$0	$0	$0
(31) Unsupported	$24,378	$0	$23,039	$0	$1,339	$0
(32) Other interest charges	$473	$87	$65	$321	$0	$0
(33) Losses on disposal of capital assets	$3,378	$0	$2,276	$1,102	$0	$0
(34) **TOTAL EXPENSES**	$48,930,000	$36,243,078	$6,666,152	$4,340,002	$1,680,768	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$2,231,432	$891,802	$937,083	$166,950	$235,597	$0

School Jurisdiction Code: 2275

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$948,912
Base Instruction (Gr 1-12)	$25,276,309
Outreach Programs	$208,080
Home Education	$12,148
Differential Cost Funding *	$15,909,721
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$42,151
Provincial Priority Targeted Funding	
Class Size Initiative	$1,067,091
Student Health Initiative (SHI)	$169,712
Alberta Initiative for School Improvement (AISI)	$739,618
High Speed Networking	$180,350
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$229,780
Other Alberta Education Revenues (describe): One Time Grant (CSRI)/Video Cnf/$126,000 Grant	$278,987
Total Alberta Education Revenues	$45,062,858

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2275

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,454,911	$1,915,500	$518,970		$0	$0	$4,889,381
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$951,924	$639,906	$2,963		$0		$1,594,793
ECS Program Unit (PUF)	$660	$426,698	$135,416		$0		$562,774
Severe Disabilities (Gr 1-12)	$1,007,971	$2,187,863	$41,125		$0		$3,236,959
English as a Second Language	$0	$0	$66,339		$0		$66,339
French Language Program & Francisation (all jurisdictions)	$0	$0	$8,417		$0		$8,417
First Nations, Metis and Inuit Education (ECS - Gr 12)	$550,105	$254,607	$8,481		$0		$813,193
Home Education	$0	$0	$19,174		$0		$19,174
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$467,319	$130,794	$126,289	$15,261	$0		$739,663
Student Health Initiative	$0	$0	$169,712		$0		$169,712
High Speed Networking			$180,350		$0		$180,350
Class Size	$1,064,741	$2,092	$259	$0	$0		$1,067,092
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$18,630,763	$514,604	$2,450,694	$202,362	$0	$1,096,721	$22,895,231
TOTAL EXPENSES	$25,128,394	$6,072,064	$3,728,189	$217,623	$0	$1,096,721	$36,243,078

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	32.3	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	13.3	0.0

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2275

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$48,930,000**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.45%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,177,385
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,177,385**
Less: 2005/2006 Board and System Administration expenses		-$1,680,768
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$496,617

School Jurisdiction Code: 2275

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$913,775
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,231,575	$703,948	$527,627	
Student fees (Non-Instructional) (Note 2)	$209,400	$192,246	$17,154	
Donations and grants to schools	$107,937	$0	$107,937	
Other (describe):	$127,696	$358,237	($230,541)	
Net Additions to SGF	$1,676,608	$1,254,432		$422,176
Net SGF Available for Spending				$1,335,951
Application of Net School Generated Funds:				
Extra-curricular activities			$393,263	
School site beautification			$6,418	
Field Trips			$23,166	
Equipment			$14,999	
Family literacy and other community resources			$8,453	
Other (describe):			$54,319	
Net SGF Expended (Note 3)				$500,618
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$835,333

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2275

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$549,786	$0	$0	$138,191	$687,977		$687,977
Uncertificated benefits	$0	$121,798	$0	$0	$29,827	$151,625		$151,625
Sub-total Remuneration	$0	$671,584	$0	$0	$168,018	$839,602		$839,602
Contracted Services	$1,130,904	$70,575	$0	$0	$0	$1,201,479		$1,201,479
Supplies	$86,117	$528,765	$0	$443,370	$11,755	$1,070,007		$1,070,007
Electricity			$458,504			$458,504		$458,504
Natural Gas/Heating Fuel			$504,435			$504,435		$504,435
Sewer and Water			$101,697			$101,697		$101,697
Telecommunications			$23,359			$23,359		$23,359
Insurance					$170,198	$170,198		$170,198
Amortization of capital assets								
Supported							$1,552,834	$1,552,834
Unsupported						$93,056		$93,056
Total Amortization						$93,056	$1,552,834	$1,645,890
Interest on capital debt								
Supported							$625,601	$625,601
Unsupported				$0		$23,039		$23,039
Other interest charges						$65		$65
Losses on disposal of capital assets						$2,276		$2,276
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,217,021	$1,270,924	$1,087,995	$443,370	$349,971	$4,487,717	$2,178,435	$6,666,152
SQUARE METRES								
School Buildings								73,151.7
Non School Buildings								4565.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2275

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Gerry Steinke, Chairman	1.0	$22,433	$718	$0			$23,150	$9,199
Name	Terry Slemko, Vice-Chairman	1.0	$19,214	$5,832	$0			$25,045	$4,454
Other Board Members:									
Name	Warren Bruleigh	1.0	$13,655	$0	$0			$13,655	$5,236
Name	Brenda Giesbrecht	1.0	$20,845	$4,437	$0			$25,282	$9,938
Name	Stan Jeffreys	0.3	$7,654	$1,339	$0			$8,994	$2,689
Name	Barbara Maddigan	1.0	$10,650	$1,477	$0			$12,127	$2,735
Name	Judy Muir	1.0	$23,572	$3,634	$0			$27,207	$8,170
Name	Carol Ohler	0.5	$1,446	$0	$0			$1,446	$2,492
Name	Maureen Wilcox	1.0	$13,446	$4,135	$0			$17,581	$5,185
Name	Merv Zaddery	1.0	$18,730	$4,331	$0			$23,061	$8,316
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*8.8*	*$151,645*	*$25,902*	*$0*			*$177,548*	*$58,413*
Superintendent	Kevin Andrea	0.7	$82,667	$6,885	$0	$0	$0	$89,551	$14,483
Superintendent	Eugene Miller	0.3	$42,996	$2,025	$0	$0	$0	$45,021	$12,649
Secretary/Treasurer	Michael Gramatovich	1.0	$99,300	$17,825	$0	$0	$0	$117,125	$16,361
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		334.3	$22,863,091	$2,404,416	$0	$0	$0	$25,267,507	
Uncertificated Salaries & Wages		233.9	$6,833,981	$1,526,805	$0	$0	$0	$8,360,786	
TOTALS			**$30,073,679**	**$3,983,858**	**$0**	**$0**	**$0**	**$34,057,537**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1245

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Northern Lights School Division No. 69
Legal Name of School Jurisdiction

6005 - 50th Avenue, Bonnyville, Alberta T9N 2L4
Mailing Address

Phone (780) 826-3145 Fax (780) 826-4600
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Northern Lights School Division No. 69 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Walter Hrycauk	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT

Ed Wittchen	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Gary Krawchuk	**"ORIGINAL SIGNED"**
Name	**Signature**

15-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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ROSS & TOPYLKI LLP

Chartered Accountants

Brian W. Ross*, C A
Beverley Topylki*, C A
* Denotes Professional Corporation
Limited Liability Partnership

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AUDITORS' REPORT

To the Board of Trustees of:
Northern Lights School Division No. 69

We have audited the statement of financial position of the Northern Lights School Division No. 69 (School Division) as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the School Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2006, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bonnyville, Alberta
October 31, 2006

Chartered Accountants

#200 - 5201 - 44th Street, New Park Place ♦ Box 6279 ♦ Bonnyville, Alberta ♦ T9N 2G8
#1 - 5121 - 50th Avenue ♦ Box 1740 ♦ Cold Lake, Alberta ♦ T9M 1P4 (part-time office)
E-mail: rosstop@telusplanet.net

School Jurisdiction Code: 1245

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

			2006	2005
ASSETS				
Current assets				
Cash and temporary investments			$5,309,464	$4,877,065
Accounts receivable (net after allowances)			$2,967,476	$4,396,196
Prepaid expenses			$883,135	$966,558
Other current assets			$0	$0
Total current assets			$9,160,075	$10,239,819
School generated assets			$790,575	$814,469
Trust assets			$56,499	$56,711
Long term accounts receivable			$63,891	$77,233
Long term investments			$0	$0
Capital assets				
Land			$2,185,275	$2,187,269
Buildings		$59,179,236		
Less: accumulated amortization		($28,613,488)	$30,565,748	$29,874,776
Equipment		$3,818,218		
Less: accumulated amortization		($2,624,624)	$1,193,594	$1,210,061
Vehicles		$1,867,040		
Less: accumulated amortization		($1,040,176)	$826,864	$772,619
Total capital assets			$34,771,481	$34,044,725
TOTAL ASSETS			$44,842,521	$45,232,957
LIABILITIES				
Current liabilities				
Bank indebtedness			$0	$0
Accounts payable and accrued liabilities			$1,598,859	$3,094,191
Deferred revenue			$494,479	$635,878
Deferred capital allocations			$11,433	$12,128
Current portion of all long term debt			$999,027	$1,019,958
Total current liabilities			$3,103,798	$4,762,155
School generated liabilities			$790,575	$814,469
Trust liabilities			$56,499	$56,711
Employee future benefits liability			$3,100	$1,500
Long term payables and accrued liabilities			$0	$0
Long term debt				
Supported:	Debentures and other supported debt		$7,501,158	$8,521,117
	Less: Current portion of supported debt		($999,027)	($1,019,958)
Unsupported:	Debentures and Capital Loans		$0	$0
	Capital Leases		$0	$0
	Mortgages		$0	$0
	Less: Current portion of unsupported debt		$0	$0
Other long term liabilities			$0	$0
Unamortized capital allocations			$22,679,422	$21,043,978
Total long term liabilities			$30,031,727	$29,417,817
TOTAL LIABILITIES			$33,135,525	$34,179,972
NET ASSETS				
Unrestricted net assets			$330,193	$975,268
Operating Reserves			$6,785,905	$5,598,089
Accumulated Operating Surplus (Deficit)			$7,116,098	$6,573,357
Investment in capital assets			$4,590,898	$4,479,628
Capital Reserves			$0	$0
Total Capital Funds			$4,590,898	$4,479,628
Total net assets			$11,706,996	$11,052,985
TOTAL LIABILITIES AND NET ASSETS			$44,842,521	$45,232,957

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1245

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$52,705,015	$51,631,619	$50,974,764
Federal Government and/or First Nations	$1,824,976	$1,467,644	$2,235,263
Other Alberta school authorities	$2,411	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$20,000
Instruction resource fees	$8,060	$30,000	$12,488
Transportation fees	$114,221	$111,186	$125,757
Other sales and services	$580,855	$250,000	$568,676
Investment income	$242,977	$120,000	$193,146
Gifts and donations	$45,981	$50,000	$18,234
Rentals of facilities	$42,847	$6,300	$29,885
Net school generated funds	$827,876	$600,000	$580,978
Gains on disposal of capital assets	$50,452	$0	$0
Amortization of capital allocations	$1,733,858	$1,675,076	$1,622,901
Total Revenues	$58,179,529	$55,941,825	$56,382,092
EXPENSES			
Certificated salaries	$25,529,899	$24,681,825	$25,357,658
Certificated benefits	$2,956,365	$2,919,308	$3,007,056
Uncertificated salaries and wages	$8,891,280	$9,197,889	$9,046,784
Uncertificated benefits	$2,205,244	$2,309,168	$2,279,504
Services, contracts and supplies	$13,918,315	$14,334,436	$13,826,276
Net school generated funds	$827,876	$600,000	$580,978
Capital and debt services			
Amortization of capital assets			
Supported	$1,733,858	$1,660,671	$1,622,901
Unsupported	$585,134	$545,323	$518,349
Total Amortization of capital assets	$2,318,992	$2,205,994	$2,141,250
Interest on capital debt			
Supported	$877,083	$877,082	$993,096
Unsupported	$0	$0	$0
Total interest on capital debt	$877,083	$877,082	$993,096
Other interest charges	$464	$1,000	$3,270
Losses on disposal of capital assets	$0	$0	$7,702
Total Expenses	$57,525,518	$57,126,702	$57,243,574
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$654,011	($1,184,877)	($861,482)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$654,011	($1,184,877)	($861,482)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$654,011	($861,482)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,733,858)	($1,622,901)
Total amortization expense	$2,318,992	$2,141,250
Gains on disposal of capital assets	($50,452)	$0
Losses on disposal of capital assets	$0	$7,702
Changes in accrued accounts:		
Accounts receivable	$1,428,720	($1,481,453)
Prepaids and other current assets	$83,423	($736,531)
Long term accounts receivable	$13,342	($33,233)
Long term investments	$0	$0
Payables and accrued liabilities	($1,495,332)	$1,192,614
Deferred revenue	($141,399)	$22,399
Employee future benefit expense (recovery)	$1,600	$1,500
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,079,047	($1,370,135)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	($72,465)	($385,495)
Buildings	($2,284,801)	($4,147,407)
Equipment	($369,095)	($552,384)
Vehicles	($319,387)	($286,533)
Net proceeds from disposal of capital assets	$50,452	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($2,995,296)	($5,371,819)
C. FINANCING ACTIVITIES		
Capital allocations	$2,348,649	$1,174,047
Issue of long term debt	$0	$0
Repayment of long term debt	($1,019,959)	($1,086,295)
Add back: supported portion	$1,019,958	$1,086,295
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,348,648	$1,174,047
Net sources (uses) of cash during year	$432,399	($5,567,907)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,877,065	$10,444,972
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$5,309,464	$4,877,065

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 1245

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$11,052,985	$4,479,628	$975,268	$5,598,089	$1,833,457	$0	$2,227,012	$0	$1,034,296	$0	$503,324	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$11,052,985	$4,479,628	$975,268	$5,598,089	$1,833,457	$0	$2,227,012	$0	$1,034,296	$0	$503,324	$0	$0	$0
Excess(def) of revenue over expenses	$654,011		$654,011											
Board funded capital transactions		$696,404	($645,952)	($50,452)	$0	$0	$0	($13,550)	$0	($36,902)	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,318,992)	$2,318,992											
Amortization of capital allocations		$1,733,858	($1,733,858)											
Disposal of unsupported capital assets	$0	$0	($50,452)	$50,452		$0		$13,550		$36,902		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,187,816)	$1,187,816	$138,314		$755,274		$263,861		$30,367		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$11,706,996	$4,590,898	$330,193	$6,785,905	$1,971,771	$0	$2,982,286	$0	$1,298,157	$0	$533,691	$0	$0	$0

School Jurisdiction Code: 1245

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$12,128	$21,043,978
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$12,128	$21,043,978
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$2,348,649	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$1,019,958
Expended capital allocations - current year	($2,349,344)	$2,349,344
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,733,858
Balance at August 31, 2006	$11,433	$22,679,422

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The School Division receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administrations expenses

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable Contributions in-kind are recorded at fair market when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

2. ACCOUNTING POLICIES (Continued)

(b) Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives on a straight line basis, at the following annual rates:

Buildings	2.5%, 4% and 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized over the same period as the related asset.

(c) School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

(e) Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board, to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(f) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

2. ACCOUNTING POLICIES (Continued)

(g) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $206,357 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

The school board participates in Supplemental Integrated Pension Plan (SiPP) for certain members of senior administration. The plan provides a supplement to the Local Authorities Pension Plan or Teacher's Retirement Fund (as appropriate) to provide an annual retirement benefit of 2% of final average earnings. A portion of this SiPP constitutes a multi-employer pension plan that is accounted for in the same manner as the Local Authorities Pension Plan. The School Division's expense for this plan is equivalent to the annual contributions of $10,278 for the year ended August 31, 2006. The remaining portion of the SiPP consists of an unfunded defined benefit plan, the cost of which is sponsored by the school board and actuarially determined using the projected benefit method prorated on service and managements' best estimate of expected salary and benefit escalation, retirement ages of employees, and plan investment performance.

2. ACCOUNTING POLICIES (Continued)

(h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the School Division, to set aside funds for operating and for future capital expenditures Such reserves are appropriations of unrestricted net assets

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods Actual results could differ from those estimates

3. TRUST ASSETS AND LIABILITIES

This balance represents cash that is held in trust by the School Division for a scholarship trust

4. ACCOUNTS RECEIVABLE

	2006	2005
Province of Alberta	$ 1,698,451	$ 2,365,478
Federal Government	1,133,470	1,835,909
Other receivables	135,555	194,809
	$ 2,967,476	$ 4,396,196

5. BANK INDEBTEDNESS

The School Division has negotiated a line of credit to a maximum of the lesser of $5,000,000 or its outstanding accounts receivable as per the most recent audited financial statements, bearing interest at prime less 0 25% per annum secured by a revolving line of credit agreement and related demand promissory note in the amount of $5,000,000, school division borrowing resolution for capital and current expenditures, Government of Alberta Department of Education Ministerial order #141/94, and an EFT transfer agreement. There was no balance outstanding on the line of credit as at year end

6. ACCOUNTS PAYABLE

	2006	2005
Province of Alberta	$ 375,054	$ 494,149
Federal Government	11,795	-
Other trade payables and accrued liabilities	1,212,010	2,600,042
	$ 1,598,859	$ 3,094,191

7. DEFERRED REVENUE

	2006	2005
Alberta Initiative for School Improvement	$ 41,921	$ 171,374
Infrastructure Maintenance Program	-	218,448
Cooperative transportation grant	182,500	108,336
Other	165,776	137,720
DIA Tuition 2007	104,282	-
	$ 494,479	$ 635,878

8. LONG TERM DEBT

a) Debenture Debt - Supported

The debenture debt bears interest at rates varying between 7 5% and 12% The debenture debt is fully supported by Alberta Finance The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007	$ 999,027	$ 767,289	$ 1,766,316
2008	892,765	660,008	1,552,773
2009	819,075	565,477	1,384,552
2010	761,185	479,790	1,240,975
2011	738,193	401,049	1,139,242
Thereafter	3,290,913	1,412,647	4,703,560
	$ 7,501,158	$ 4,286,260	$11,787,418

b) Capital Leases - Unsupported

Currently, there are no capital leases held by the School Division

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the School Division, but the related expenditure has not yet been made at year end When expended, these deferred capital allocations are transferred to unamortized capital allocations

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid

11. CONTINGENCIES

The School Division is a member of several reciprocal insurance exchanges including JRIE and ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the School Division can liquidate.

The School Division's eligibility and contribution requirements are currently under review by the Alberta Pension's Administration Corporation, resulting in the potential for claims against or in favour of the School Division, the amount or likelihood of which is not determinable at this time. It is management's opinion that any potential liability should be covered by the School Division's insurer.

12. COMMITMENTS

a) Building Projects

The School Division is committed to further capital expenditures for planning of the Cold Lake Public High School of approximately $476,351. These costs are to be fully funded by the capital allocations from Alberta Infrastructure.

b) Electricity Service Agreement

The School Division has entered into an electricity services agreement of a fixed price for their total annual electrical consumption. This agreement expires on December 31, 2008.

c) Natural Gas Agency Agreement

The School Division has appointed Gas Alberta Energy as its agent in obtaining favourable natural gas pricing, thereby authorizing Gas Alberta Energy to enter into fixed price gas purchase contracts on the School Division's behalf. The agreement may be terminated by either party given one month written notice.

d) Equipment Leases

The School Division is committed to the following minimum annual lease payments for photocopiers and computer equipment pursuant to leases expiring July, 2007 and August, 2009:

2007	$ 481,176
2008	458,686
2009	458,686
	$ 1,398,548

13. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The School Division's primary source of income is from the Alberta Government The School Division's ability to continue viable operations is dependent on this funding

14. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees It is presented for information purposes only and has not been audited

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300 All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta

2005-2006	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:	-	-	-	-
Education	119,958	62,161	51,254,144	-
Infrastructure & Transportation	1,255,390	-	220,602	-
Finance	312,893	312,893	877,083	-
Health & Wellness	-	-	-	-
Human Resources/Employment	7,800	-	65,254	-
Other Gov't of Alberta Departments	-	-	232,182	-
Other:	-	-	-	-
Health Authorities	-	-	55,750	7,953
Post Secondary Institutions	-	-	-	220,935
Other Alberta School Jurisdictions	-	-	-	86,559
Other related parties	-	-	-	100
Total 2005-2006	1,696,041	375,054	52,705,015	315,547
Total 2004-2005	2,478,457	569,061	50,593,240	548,631

16. FINANCIAL INSTRUMENTS

The School Division's financial instruments consist of cash and temporary investments, accounts receivable, school generated funds, trust assets and liabilities, bank indebtedness, accounts payable and accrued liabilities, employee future benefits liability and long term debt. It is management's opinion that the School Division is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

SCHEDULE A to the AFS

School Jurisdiction Cod 1245

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$51,254,144	$38,407,939	5,417,960	$5,362,339	$2,065,906	$0
(2) **Alberta Infrastructure & Transportation**	$220,602	$0	$220,602			
(3) **Alberta Finance**	$877,083		$877,083			$0
(4) **Other - Government of Alberta**	$353,186	$96,384	$120,035	$0	$0	$136,767
(5) **Federal Government and/or First Nations**	$1,824,976	$1,561,565	$189,198	$0	$74,213	$0
(6) **Other Alberta school authorities**	$2,411	$2,411	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$8,060	$8,060				
(10) **Transportation fees**	$114,221			$114,221		
(11) **Other sales and services**	$580,855	$402,449	$36,104	$0	$125,189	$17,113
(12) **Investment income**	$242,977	$172,449	$36,433	$21,860	$12,235	$0
(13) **Gifts and donations**	$45,981	$45,981	$0	$0		$0
(14) **Rentals of facilities**	$42,847	$9,701	$18,558	$0	$14,588	$0
(15) **Net school generated funds**	$827,876	$827,876			$0	
(16) **Gains on disposal of capital assets**	$50,452	$5,200	$13,550	$0	$31,702	$0
(17) **Amortization of capital allocations**	$1,733,858	$167,396	$1,566,462	$0		$0
(18) **TOTAL REVENUES**	$58,179,529	$41,707,411	$8,495,985	$5,498,420	$2,323,833	$153,880
EXPENSES						
(19) **Certificated salaries**	$25,529,899	$25,154,686			$375,213	$0
(20) **Certificated benefits**	$2,956,365	$2,915,884			$40,481	$0
(21) **Uncertificated salaries and wages**	$8,891,280	$6,637,443	$1,314,257	$174,455	$709,321	$55,804
(22) **Uncertificated benefits**	$2,205,244	$1,731,707	$286,033	$31,746	$151,446	$4,312
(23) **SUB - TOTAL**	$39,582,788	$36,439,720	$1,600,290	$206,201	$1,276,461	$60,116
(24) **Services, contracts & supplies**	$13,918,315	$4,341,561	$3,539,676	$5,225,963	$717,351	$93,764
(25) **Cost recoveries between programs**	$0	$0	$0	$30,000	($30,000)	$0
(26) **Net school generated funds**	$827,876	$827,876				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,733,858	$167,396	$1,566,462	$0	$0	$0
(28) Unsupported	$585,134	$326,349	$157,200	$5,889	$95,696	$0
(29) Total Amortization	$2,318,992	$493,745	$1,723,662	$5,889	$95,696	$0
Interest on capital debt						
(30) Supported	$877,083	$0	$877,083	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$464	$0	$0	$0	$464	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$57,525,518	$42,102,902	$7,740,711	$5,468,053	$2,059,972	$153,880
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$654,011	($395,491)	$755,274	$30,367	$263,861	$0

School Jurisdiction Code: 1245

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	1,030,320
Base Instruction (Gr 1-12)	27,029,913
Outreach Programs	260,100
Home Education	49,359
Differential Cost Funding *	19,699,164
Other Provincial Support	
Institutional Programs	110,517
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	37,733
Provincial Priority Targeted Funding	
Class Size Initiative	1,437,133
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	881,204
High Speed Networking	155,873
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	512,828
Other Alberta Education Revenues (describe): Video Conferencing	$50,000
Total Alberta Education Revenues	$51,254,144

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1245

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,809,107	$2,815,611	$217,134		$0	$1,321,621	$7,163,473
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$806,473	$863,252	$0		$0		$1,669,725
ECS Program Unit (PUF)	$75,537	$596,149	$104,189		$0		$775,875
Severe Disabilities (Gr 1-12)	$1,964,940	$3,344,721	$165,635		$0		$5,475,296
English as a Second Language	$42,279	$0	$0		$0		$42,279
French Language Program & Francisation (all jurisdictions)	$27,000	$0	$0		$0		$27,000
First Nations, Metis and Inuit Education (ECS - Gr 12)	$1,583,790	$0	$0		$0		$1,583,790
Home Education	$0	$0	$7,356		$0		$7,356
Institutional Programs	$88,295	$69,828	$3,264		$0		$161,387
Alberta Initiative for School Improvement	$552,570	$44,166	$284,468	$0	$0		$881,204
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$143,789		$0		$143,789
Class Size	1,437,133	$0	$0	$0	$0		$1,437,133
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$18,683,446	$635,423	$3,415,726	$149,053	$0	$0	$22,734,595
TOTAL EXPENSES	$28,070,570	$8,369,150	$4,341,561	$149,053	$0	$1,321,621	$42,102,902

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.4	21.2
ECS Program Unit (PUF)	1.0	18.6
Severe Disabilities (Gr 1-12)	25.3	116.0

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on seperately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1245

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$57,525,518**
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		**4.20%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,416,072
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,416,072**
Less: 2005/2006 Board and System Administration expenses		-$2,059,972
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$356,100

School Jurisdiction Code: 1245

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$814,469
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,281,335	$759,748	$521,587	
Student fees (Non-Instructional) (Note 2)	$377,446	$289,275	$88,171	
Donations and grants to schools	$189,541	$0	$189,541	
Other (describe): Interest income	$4,683	$0	$4,683	
Net Additions to SGF	$1,853,005	$1,049,023		$803,982
Net SGF Available for Spending				$1,618,451
Application of Net School Generated Funds:				
Extra-curricular activities			$516,611	
School site beautification			$2,835	
Field Trips			$177,620	
Equipment			$114,149	
Family literacy and other community resources			$5,825	
Other (describe): Administration			$10,836	
Net SGF Expended (Note 3)				$827,876
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$790,575

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1245

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$544,721	$577,265	$0	$0	$192,271	$1,314,257		$1,314,257
Uncertificated benefits	$118,755	$112,248	$0	$0	$55,030	$286,033		$286,033
Sub-total Remuneration	$663,476	$689,513	$0	$0	$247,301	$1,600,290		$1,600,290
Contracted Services	$853,462	$123,045	$0	$671,701	$22,189	$1,670,397		$1,670,397
Supplies	$242,773	$174,736	$0	$0	$3,837	$421,346		$421,346
Electricity			$606,451			$606,451		$606,451
Natural Gas/Heating Fuel			$617,409			$617,409		$617,409
Sewer and Water			$74,297			$74,297		$74,297
Telecommunications			$28,701			$28,701		$28,701
Insurance					$121,075	$121,075		$121,075
Amortization of capital assets								
Supported							$1,566,462	$1,566,462
Unsupported						$157,200		$157,200
Total Amortization						$157,200	$1,566,462	$1,723,662
Interest on capital debt								
Supported							$877,083	$877,083
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,759,711	$987,294	$1,326,858	$671,701	$394,402	$5,297,166	$2,443,545	$7,740,711
SQUARE METRES								
School Buildings								80,073.4
Non School Buildings								3,665.9

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1245

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Walter Hrycauk	1.0	$16,400	$557	$0			$16,957	$9,752
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Peter Doonanco	1.0	$11,505	$69	$0			$11,574	$6,584
Name	Mary Lynn Evans	1.0	$11,730	$424	$0			$12,154	$8,555
Name	Arlene Hrynyk	1.0	$12,050	$457	$0			$12,507	$8,544
Name	Nestor Kunec	1.0	$13,155	$358	$0			$13,513	$4,423
Name	Randy McDonald	1.0	$12,155	$464	$0			$12,619	$13,143
Name	Danny Smaiel	1.0	$8,730	$306	$0			$9,036	$3,303
Name	Roxanne Suhan	1.0	$11,705	$447	$0			$12,152	$6,769
Name	Heather Welwood	1.0	$12,280	$439	$0			$12,719	$6,796
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*9.0*	*$109,710*	*$3,521*	*$0*			*$113,231*	*$67,869*
Superintendent	Ed Wittchen	1.0	$140,011	$10,542	$0	$0	$0	$150,553	$10,095
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Gary Krawchuk	1.0	$120,148	$25,093	$0	$0	$0	$145,241	$6,640
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		354.6	$25,389,888	$2,945,823	$0	$0	$0	$28,335,711	
Uncertificated Salaries & Wages		285.5	$8,661,422	$2,176,630	$0	$0	$0	$10,838,052	
TOTALS			**$34,421,179**	**$5,161,609**	**$0**	**$0**	**$0**	**$39,582,788**	

Note: Please refer to completion information on page 15

School Jurisdiction Code 1280

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Northland School Division No. 61
Legal Name of School Jurisdiction

9809 - 77 Ave. Peace River, AB, T8S 1V2
Mailing Address

Telephone #: (780) 624-2060 FAX #: (780) 624-5914
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Northland School Division No. 61
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Steve Noskey — **Name**
"ORIGINAL SIGNED" — **Signature**

SUPERINTENDENT

Annette Ramrattan — **Name**
"ORIGINAL SIGNED" — **Signature**

SECRETARY TREASURER OR TREASURER

Len Leithead — **Name**
"ORIGINAL SIGNED" — **Signature**

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1280

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Auditor's Report

To the Board of Trustees of Northland School Division No. 61

I have audited the statement of financial position of the Northland School Division No. 61 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets, capital allocations and Schedule G disclosure of salaries and benefits for the year then ended. All other schedules attached to these financial statements are unaudited. These financial statements are the responsibility of the Division's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

"Original Signed By
Fred J. Dunn, FCA"
Auditor General

Edmonton, Alberta
November 23, 2006

School Jurisdiction Code: 1280

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$8,130,083	$4,882,350
Accounts receivable (net after allowances)		$4,759,421	$7,413,787
Prepaid expenses		$120,787	$138,736
Other current assets		$85,592	$88,196
Total current assets		$13,095,883	$12,523,069
School generated assets		$293,024	$312,963
Trust assets		$0	$0
Long term accounts receivable		$912,107	$1,025,581
Long term investments		$0	$0
Capital assets			
Land		$577,347	$577,347
Buildings	$83,653,011		
Less: accumulated amortization	($49,533,717)	$34,119,294	$34,956,798
Equipment	$9,529,286		
Less: accumulated amortization	($7,965,058)	$1,564,228	$1,473,593
Vehicles	$4,568,809		
Less: accumulated amortization	($3,107,936)	$1,460,873	$1,779,333
Total capital assets		$37,721,742	$38,787,071
TOTAL ASSETS		$52,022,755	$52,648,684
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,540,819	$3,898,348
Deferred revenue		$1,347,666	$1,448,104
Deferred capital allocations		$1,350,494	$147,955
Current portion of all long term debt		$2,043,502	$2,163,680
Total current liabilities		$7,282,481	$7,658,087
School generated liabilities		$293,024	$312,963
Trust liabilities		$0	$0
Employee future benefits liability		$54,643	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$7,555,284	$9,717,039
	Less: Current portion of supported debt	($2,041,577)	($2,161,755)
Unsupported:	Debentures and Capital Loans	$15,397	$17,322
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	($1,925)	($1,925)
Other long term liabilities		$0	$0
Unamortized capital allocations		$23,769,930	$22,413,322
Total long term liabilities		$29,644,776	$30,296,966
TOTAL LIABILITIES		$36,927,256	$37,955,053
NET ASSETS			
Unrestricted net assets		$2,339,476	$2,518,817
Operating Reserves		$2,025,767	$1,695,835
Accumulated Operating Surplus (Deficit)		$4,365,243	$4,214,652
Investment in capital assets		$6,376,695	$6,639,395
Capital Reserves		$4,353,561	$3,839,584
Total Capital Funds		$10,730,256	$10,478,979
Total net assets		$15,095,499	$14,693,631
TOTAL LIABILITIES AND NET ASSETS		$52,022,755	$52,648,684

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1280

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$30,003,142	$30,869,843	$31,753,341
Federal Government and/or First Nations	$17,087,926	$18,441,898	$17,112,314
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$11,300	$0	$0
Instruction resource fees	$0	$0	$0
Transportation fees	$0	$0	$0
Other sales and services	$602,589	$244,440	$378,511
Investment income	$286,534	$60,000	$133,957
Gifts and donations	$158,995	$50,000	$114,809
Rentals of facilities	$826,551	$808,856	$772,674
Net school generated funds	$442,675	$750,000	$312,497
Gains on disposal of capital assets	$12,734	$0	$39,531
Amortization of capital allocations	$2,329,659	$2,281,928	$2,373,934
Total Revenues	$51,762,105	$53,506,965	$52,991,568
EXPENSES			
Certificated salaries	$18,158,023	$18,311,943	$18,419,852
Certificated benefits	$4,024,564	$4,959,992	$4,261,545
Uncertificated salaries and wages	$9,750,346	$10,347,258	$9,910,884
Uncertificated benefits	$2,164,942	$2,646,857	$2,076,607
Services, contracts and supplies	$12,286,597	$12,490,134	$12,057,794
Net school generated funds	$442,675	$750,000	$312,497
Capital and debt services			
Amortization of capital assets			
Supported	$2,329,659	$2,281,928	$2,373,934
Unsupported	$1,208,155	$1,090,280	$981,951
Total Amortization of capital assets	$3,537,814	$3,372,208	$3,355,885
Interest on capital debt			
Supported	$983,635	$983,636	$1,228,900
Unsupported	$1,868	$1,866	$2,908
Total Interest on capital debt	$985,503	$985,502	$1,231,808
Other interest charges	$7,758	$7,500	$8,062
Losses on disposal of capital assets	$2,015	$0	$5,364
Total Expenses	$51,360,237	$53,871,394	$51,640,298
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$401,868	($364,429)	$1,351,270
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$401,868	($364,429)	$1,351,270

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1280

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$401,868	$1,351,270
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,329,659)	($2,373,934)
Total amortization expense	$3,537,814	$3,355,885
Gains on disposal of capital assets	($12,734)	($39,531)
Losses on disposal of capital assets	$2,015	$5,364
Changes in accrued accounts:		
Accounts receivable	$2,654,366	$1,705,026
Prepaids and other current assets	$20,553	$80,347
Long term accounts receivable	$113,474	$162,069
Long term investments	$0	$0
Payables and accrued liabilities	($1,357,529)	$44,609
Deferred revenue	($100,438)	$122,859
Employee future benefit expense (recovery)	$54,643	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$2,984,373	$4,413,964
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,668,457)	($954,303)
Equipment	($586,492)	($704,386)
Vehicles	($224,451)	($380,227)
Net proceeds from disposal of capital assets	$17,634	$60,389
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($2,461,766)	($1,978,527)
C. FINANCING ACTIVITIES		
Capital allocations	$2,727,050	$600,388
Issue of long term debt	$0	$0
Repayment of long term debt	($2,163,680)	($2,170,400)
Add back: supported portion	$2,161,755	$2,168,475
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,725,125	$598,463
Net sources (uses) of cash during year	$3,247,732	$3,033,900
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,882,350	$1,848,450
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$8,130,083	$4,882,350

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

School Jurisdiction 1280

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$14,693,631	$6,639,395	$2,518,817	$5,535,419	$155,822	$1,104,737	$0	$888,919	$54,018	$461,751	$0	$484,336	$1,485,995	$899,841
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$14,693,631	$6,639,395	$2,518,817	$5,535,419	$155,822	$1,104,737	$0	$888,919	$54,018	$461,751	$0	$484,336	$1,485,995	$899,841
Excess(def) of revenue over expenses	$401,868		$401,868											
Board funded capital transactions		$954,884	$0	($954,884)	($10,048)	($242,825)	$0	($194,414)	$0	($359,502)	$0	($83,810)	($61,478)	($2,807)
Direct credits to net assets	$0	$0												
Amortization of capital assets		($3,537,814)	$3,537,814											
Amortization of capital allocations		$2,329,659	($2,329,659)											
Disposal of unsupported capital assets	$0	($11,354)	($6,280)	$17,634		$0		$13,016		$94		$2,261		$2,263
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$1,925	($1,925)											
Net transfers to operating reserves			($417,273)	$417,273	$139,366		$0		$0		$0		$277,907	
Net transfers from operating reserves			$15,815	($15,815)	($15,815)		$0		$0		$0		$0	
Net transfers to capital reserves			($1,379,701)	$1,379,701		$292,480		$236,799		$265,928		$348,615		$235,879
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$15,095,499	$6,376,695	$2,339,476	$6,379,328	$269,325	$1,154,392	$0	$944,320	$54,018	$368,271	$0	$751,402	$1,702,424	$1,135,176

School Jurisdiction Code: 1280

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$147,955	$22,413,322
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$147,955	$22,413,322
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$2,042,693	
	Infrastructure & Transportation-School/Modular Project Capital *	$638,619	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$7,645	
Other capital grants and donations		$38,093	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$2,161,755
Expended capital allocations - current year		($1,524,512)	$1,524,512
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$2,329,659
Balance at August 31, 2006		$1,350,494	$23,769,930

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

NORTHLAND SCHOOL DIVISION NO. 61
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

Note 1 Authority

Northland School Division No. 61 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3 and also operates under the authority of the *Northland School Division Act*, Chapter N-5, Revised Statutes of Alberta, 2000.

The Division receives instruction and support allocations under Regulation 77/2003. The Regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependant on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Externally restricted non-capital contributions are deferred and recognized as revenue in the year when related expenses are incurred.

Fees for service related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the Province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired with the grant.

Unrestricted donations are recognized as revenue when they are received.

(b) Capital Assets

Capital assets are recorded at cost. The cost less an estimated residual value is amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	5 to 40 years
Computers	5 years
Equipment	5 to 10 years
Vehicles	3 to 6 years

Note 2 con't

Computers and related equipment are capitalized, together with other capital assets having a cost in excess of $500. Any capital allocations received for asset additions are amortized over the same period as the related asset.

(c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

(d) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

(e) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

(f) Contributed Services

Volunteers assist schools operated by the Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(g) Pension Obligation:

The Division participates in the Local Authorities Pension Plan. In addition, the Division's certificated employees are required to contribute to the Teachers' Retirement Fund. These pension plans are multi-employer defined benefit pension plans that provide pensions for the Division's participating employees, based on years of service and earnings.

Pension costs are disclosed as part of salaries and wages and are comprised of the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the Local Authorities Pension Plan, and the Province's contributions to the Teachers' Retirement Fund for the Division's certificated employees. The Division's portion of the pension plans deficits or surpluses are not recorded by the Division.

(h) Operating and Capital Reserves:

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

Note 3 Cash and temporary investments

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Note 4 Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, temporary investments, long term accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, or currency risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

Note 5 Other Current Assets

Other current assets consist of advances to various hot lunch programs throughout the division.

Note 6 Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. The future benefits are medical and health care benefits to be paid to employees. As at August 31, 2006, the recorded obligation is $54,643 (2005 $0). The total expense recorded in the financial statements is $54,643 (2005 $0).

Note 7 Tuition Fees

Pursuant to agreements, the Minister of Indian and Northern Affairs and certain Indian Bands have agreed to pay to the Board of the Division a per capita share of the annual net operating costs of the Board for each Indian Student enrolled. The calculation of the amount recoverable from the Minister and the Bands is subject to possible future adjustments since all components of the net operating costs must be mutually agreed upon by the Minister or Bands and the Board, as required under the agreements.

Note 8 Accounts Receivable (Net after allowances)

	2006	2005
Short Term		
Province of Alberta	$ 745,764	$ 2,164,200
First Nations	3,523,418	4,836,081
Department of Indian Affairs	24,688	88,197
Other Federal Government	276,797	283,304
Other	188,754	42,005
Total Short Term	$ 4,759,421	$ 7,413,787
Long Term		
First Nations	912,107	1,025,581
Total Accounts Receivable	$ 5,671,528	$ 8,439,368

Note 9 Accounts Payable and Accrued Liabilities

	2006	2005
Trade payables	$ 1,827,534	$ 2,566,297
Wage payable accrual	-	661,304
Vacation payable	301,423	309,309
Federal Government payable	327,838	291,631
Holdbacks payable	49,932	33,538
Security deposits payable	34,092	36,269
	$ 2,540,819	$ 3,898,348

Note 10 Deferred Revenue

	2006	2005
Infrastructure Maintenance Program (Infrastructure)	$ 154,179	$ 500,498
Infrastructure Maintenance Renewal (Education)	193,288	-
Operations & Maintenance support	320,378	334,973
2001-2002 Modernization grant	8,386	154,337
Alberta Initiative for School Improvement	159,241	204,761
Small Class Size Funding	138,173	-
Other Provincial Revenue	54,247	153,035
Indian and Northern Affairs	149,233	-
Scholarships	57,100	51,900
Donations	113,441	48,600
	$ 1,347,666	$ 1,448,104

Note 11 Commitments

Building Projects

The jurisdiction is committed to further capital expenditures for the addition of the following schools:

Anzac School	$ 18.3 million
Bishop Routhier School	$ 12.5 million
East Prairie School	$ 6.7 million

It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

Lease Obligations

The Division leases certain buildings and office equipment under operating leases.
The future minimum lease payments under operating leases are as follows:

2007	$108,909
2008	74,585
2009	66,384
2010	24,568
2011	3,420
	$277,866

Note 12 Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of $1,500,000 that bears interest at the bank prime rate minus ¼ percent. The line of credit is secured by a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

Note 13 Long-term Debt

The school division has issued the following debentures to the Alberta Capital Finance Authority (A.C.F.A.) to finance purchase of land, school buildings and some residences having a carrying value of $34,696,641. The interest rates on these debentures range from 7 [illegible]% to 12%.

		2006	2005
Total debentures owing to A.C.F.A.	- Supported	$ 7,555,284	$ 9,717,039
	- Unsupported	15,397	17,322
		7,570,681	9,734,361
Less due within one year	- Supported	2,041,577	2,161,755
	- Unsupported	1,925	1,925
		$ 5,527,179	$ 7,570,681

Principal & interest repayments required during each of the next five fiscal years are as follows:

	Principal	Interest	Total
2006-2007	$2,041,577	$ 741,636	$ 2,783,213
2007-2008	1,735,423	492,018	2,227,441
2008-2009	1,577,826	333,308	1,911,134
2009-2010	1,080,838	173,988	1,254,826
2010 to maturity	1,135,017	153,756	1,288,773
Total	$ 7,570,681	$ 1,894,706	$ 9,465,387

Principal repayments and interest on the above debentures, with the exception of 5 debentures totaling $15,397 as at August 31, 2006, (2005 - $17,322) are funded by Alberta Finance.

The fair value of these debentures made under the authority of the *Alberta Capital Finance Authority Act* are not reported due to there being no organized financial market for the instruments and it is not practicable within the constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Note 14 Pension Costs

The pension expense recorded in these financial statements is equivalent to the Division's annual contributions payable of $438,183 for the year ended August 31, 2006 (2005 - $389,011). The Division has also recorded in these financial statements contributions made by Alberta Education to the Teachers' Retirement Fund in the amount of $2,033,166 for the year ending August 31, 2006 (2005 - $2,305,979).

As of December 31, 2005 the Local Authorities Pension Plan reported a deficit of $863,558,000 (2004 deficit of - $1,288,924,000). At August 31, 2005 the Teachers' Retirement Fund reported a deficit of $6,938,308,000 (2004 - $6,820,921,000).

Note 15 Related Party Transactions

The School Division is controlled by the Government of Alberta and is accounted for on a modified equity basis in the Government of Alberta's financial statements. Northland School Division had the following related party transactions with the Government of Alberta.

	Balances		**Transactions**	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	**Revenues**	**Expenses**
Government of Alberta:				
Education	$ 41,281	$ 490,702	$28,401,374	$ -
Infrastructure & Transportation	243,156	1,833,437	436,670	-
Finance	458,095	458,754	983,635	-
Human Resources/Employment	2,901	-	2,901	-
Children's Services	-	50,582	140,217	-
Other Gov't of Alberta departments	-	-	13,949	-
Other:				
Health authorities	-	-	17,421	310
Post-secondary institutions	-	-	2,134	35,102
Other Alberta school jurisdictions	-	-	-	531,440
Other related parties	-	-	7,742	-
TOTAL 2005-2006	$ 745,433	$2,833,475	$30,006,043	$566,852
TOTAL 2004-2005	$2,164,200	$ 781,735	$30,953,164	$539,033

Note 16 Residential Schools

A number of claims have been filed against the Government of Canada. The Division has been named as a third party with the Government in these claims in regards to programs offered by the Division from the early 1960's to the early 1970's. In one of the claims the division has been named as a defendant. The Division has entered into an indemnity agreement in which the Province of Alberta has agreed to indemnify Northland School Division for these claims and related costs incurred.

Note 17 Contingencies

The Division in conduct of its normal activities is a defendant in legal proceedings. While the ultimate outcome of these proceedings cannot be predicted at this time, it is the opinion of management that adequate provision for these proceedings has been made in the Division's accounts. It is believed that the resolution of the proceedings will not have a material effect on the financial position of the Division, however, should any additional loss result from the resolution of these proceeding, such amounts would be expensed as they become known to the Division.

Note 18 Budget Amounts

The budget was prepared by the Division's management with Board of Trustees approval given on June 17, 2005.

Note 19 Economic Dependence on Related Third Party

Northland School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

Note 20 Presentation of Comparative Information

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

Note 21 Approval of Financial Statements

These financial statements were prepared by management and approved by the Board of Trustees on November 28, 2006.

SCHEDULE A to the AFS

School Jurisdiction Cod 1280

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$28,401,374	$18,676,165	$2,909,080	$2,438,684	$1,423,066	$2,954,379
(2) **Alberta Infrastructure & Transportation**	$436,670	$0	$436,670			
(3) **Alberta Finance**	$983,635		$887,758			$95,877
(4) **Other - Government of Alberta**	$181,463	$81,571	$0	$0	$0	$99,892
(5) **Federal Government and/or First Nations**	$17,087,926	$11,289,168	$2,189,929	$914,245	$1,171,008	$1,523,576
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$11,300	$11,300	$0	$0	$0	$0
(9) **Instruction resource fees**	$0	$0				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$602,589	$170,999	$162,843	$15,269	$21,542	$231,936
(12) **Investment income**	$286,534	$219,904	$0	$0	$0	$66,630
(13) **Gifts and donations**	$158,995	$158,995	$0	$0		$0
(14) **Rentals of facilities**	$826,551	$0	$11,547	$0	$0	$815,004
(15) **Net school generated funds**	$442,675	$442,675			$0	
(16) **Gains on disposal of capital assets**	$12,734	$2,108	$4,440	$3,829	$94	$2,263
(17) **Amortization of capital allocations**	$2,329,659	$44,312	$2,158,056	$0		$127,291
(18) **TOTAL REVENUES**	$51,762,105	$31,097,197	$8,760,323	$3,372,027	$2,615,710	$5,916,848
EXPENSES						
(19) **Certificated salaries**	$18,158,023	$16,543,032			$240,291	$1,374,700
(20) **Certificated benefits**	$4,024,564	$3,660,346			$55,983	$308,235
(21) **Uncertificated salaries and wages**	$9,750,346	$5,098,594	$1,938,659	$677,019	$908,943	$1,127,131
(22) **Uncertificated benefits**	$2,164,942	$1,190,054	$437,692	$146,626	$207,296	$183,274
(23) **SUB - TOTAL**	$34,097,875	$26,492,026	$2,376,351	$823,645	$1,412,513	$2,993,340
(24) **Services, contracts & supplies**	$12,286,597	$3,713,891	$3,169,074	$2,202,018	$1,166,689	$2,034,925
(25) **Cost recoveries between programs**	$0	$0	($226,290)	$0	$0	$226,290
(26) **Net school generated funds**	$442,675	$442,675				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,329,659	$44,312	$2,158,056	$0	$0	$127,291
(28) Unsupported	$1,208,155	$387,209	$109,084	$356,643	$111,755	$243,464
(29) Total Amortization	$3,537,814	$431,521	$2,267,140	$356,643	$111,755	$370,755
Interest on capital debt						
(30) Supported	$983,635	$0	$887,758	$0	$0	$95,877
(31) Unsupported	$1,868	$0	$0	$0	$0	$1,868
(32) Other interest charges	$7,758	$1,554	$0	$0	$6,097	$107
(33) Losses on disposal of capital assets	$2,015	$227	$0	$0	$1,344	$444
(34) **TOTAL EXPENSES**	$51,360,237	$31,081,894	$8,474,033	$3,382,306	$2,698,398	$5,723,606
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$401,868	$15,303	$286,290	($10,279)	($82,688)	$193,242

School Jurisdiction Code: 1280

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$386,688
Base Instruction (Gr 1-12)	$7,352,143
Outreach Programs	$52,020
Home Education	$7,632
Differential Cost Funding *	$15,114,954
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$19,578
Provincial Priority Targeted Funding	
Class Size Initiative	$94,593
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$394,960
High Speed Networking	$145,186
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): School Food Services & Teacher Retirement Fund	$4,833,620
Total Alberta Education Revenues	$28,401,374

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1280

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,870,331	$1,087,854	$1,015,916		$0	$57,277	$5,031,378
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$2,090,992	$129,635	$0		$0		$2,220,627
ECS Program Unit (PUF)	$120,048	$312,394	$58,483		$0		$490,925
Severe Disabilities (Gr 1-12)	$1,749,713	$1,336,078	$274,918		$0		$3,360,709
English as a Second Language	$484,550	$145,654	$62,543		$0		$692,747
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$252,745	$616,490	$194,512		$0		$1,063,747
Home Education	$0	$0	$15,434		$0		$15,434
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$51,657	$49,409	$296,107	$150	$0		$397,323
Student Health Initiative	$0	$0	$2,144		$0		$2,144
High Speed Networking			$153,057		$0		$153,057
Class Size	$37,002	$0	$57,591	$0	$0		$94,593
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$12,546,340	$2,611,134	$1,458,335	$124,701	$0	$818,700	$17,559,210
TOTAL EXPENSES	$20,203,378	$6,288,648	$3,589,040	$124,851	$0	$875,977	$31,081,894

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	32.5	4.0
ECS Program Unit (PUF)	2.3	10.0
Severe Disabilities (Gr 1-12)	29.5	40.5

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1280

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$51,360,237

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	5.77%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,962,458
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$2,962,458
Less: 2005/2006 Board and System Administration expenses		-$2,698,398
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$264,060

School Jurisdiction Code: 1280

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$312,963
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$400,850	$128,264	$272,586	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$150,150	$0	$150,150	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$551,000	$128,264		$422,736
Net SGF Available for Spending				$735,699
Application of Net School Generated Funds:				
Extra-curricular activities			$316,440	
School site beautification			$0	
Field Trips			$126,235	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$442,675
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$293,024

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1280

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,201,227	$405,597	$0	$0	$331,835	$1,938,659		$1,938,659
Uncertificated benefits	$279,233	$84,251	$0	$0	$74,208	$437,692		$437,692
Sub-total Remuneration	$1,480,460	$489,848	$0	$0	$406,043	$2,376,351		$2,376,351
Contracted Services	$3,997	$899,135	$0	$585,564	$17,849	$1,506,545		$1,506,545
Supplies	$135,163	$81,689	$0	$0	$5,575	$222,427		$222,427
Electricity			$505,980			$505,980		$505,980
Natural Gas/Heating Fuel			$761,785			$761,785		$761,785
Sewer and Water			$76,729			$76,729		$76,729
Telecommunications			$23,665			$23,665		$23,665
Insurance					$71,943	$71,943		$71,943
Amortization of capital assets								
Supported							$2,158,056	$2,158,056
Unsupported						$109,084		$109,084
Total Amortization						$109,084	$2,158,056	$2,267,140
Interest on capital debt								
Supported							$887,758	$887,758
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($226,290)		($226,290)
TOTAL EXPENSES	$1,619,620	$1,470,672	$1,368,159	$585,564	$501,410	$5,428,219	$3,045,814	$8,474,033
SQUARE METRES								
School Buildings								45,807.5
Non School Buildings								1,921.3

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1280

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Steve Noskey	1.0	$35,955	$249	$0			$36,204	$35,371
Name	0.0	$0	$0	$0			$0	$0
Other Board Members:								
Name	23.0	$91,680	$1,740	$0			$93,420	$182,508
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Subtotal	*24.0*	*$127,635*	*$1,989*	*$0*			*$129,624*	*$217,879*
Superintendent	1.0	$131,350	$24,635	$0	$0	$0	$155,985	$42,585
Superintendent	0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	1.0	$107,245	$19,963	$0	$0	$0	$127,208	$12,612
Secretary/Treasurer	0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer	0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer	0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries	254.0	$18,026,673	$3,999,929	$0	$0	$0	$22,026,602	
Uncertificated Salaries & Wages	282.8	$9,515,466	$2,142,990	$0	$0	$0	$11,658,456	
TOTALS		**$27,908,369**	**$6,189,506**	**$0**	**$0**	**$0**	**$34,097,875**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 8050

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

CONSEIL SCOLAIRE DU NORD-OUEST No. 1
Legal Name of School Jurisdiction

C.P. 1220, ST. ISIDORE, ALBERTA T0H 3B0
Mailing Address

(780)624-8855 (780)624-8554
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules CONSEIL SCOLAIRE DU NORD-OUEST No. 1 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

CHANTAL MONFETTE "ORIGINAL SIGNED"
Name Signature

SUPERINTENDENT

DOLORESE NOLETTE "ORIGINAL SIGNED"
Name Signature

SECRETARY TREASURER OR TREASURER

ANITA BELZILE "ORIGINAL SIGNED"
Name Signature

29-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 8050

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AUDITORS' REPORT

To the Board of Trustees,
REGIONAL AUTHORITY OF THE NORTHWEST
FRANCOPHONE EDUCATION REGION NO. 1

We have audited the statement of financial position of the Regional Authority of THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generraly accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

'Original Signed'
SYLVAIN & DORAN

Falher, Alberta
November 9, 2006

CERTIFIED GENERAL ACCOUNTANTS

School Jurisdiction Code: 8050

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$1,676,014	$959,452
Accounts receivable (net after allowances)		$258,498	$282,915
Prepaid expenses		$61,648	$74,301
Other current assets		$23,078	$22,343
Total current assets		$2,019,238	$1,339,011
School generated assets		$94,480	$83,485
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$12,140	$11,966
Capital assets			
Land		$175,000	$75,000
Buildings	$8,170,426		
Less: accumulated amortization	($1,415,448)	$6,754,978	$4,197,379
Equipment	$122,440		
Less: accumulated amortization	($91,388)	$31,052	$21,579
Vehicles	$288,950		
Less: accumulated amortization	($264,455)	$24,495	$40,984
Total capital assets		$6,985,525	$4,334,942
TOTAL ASSETS		$9,111,383	$5,769,404
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$108,104	$228,065
Deferred revenue		$77,297	$194,848
Deferred capital allocations		$266,493	$0
Current portion of all long term debt		$26,382	$0
Total current liabilities		$478,276	$422,913
School generated liabilities		$94,480	$83,485
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$92,280	$0
Less: Current portion of supported debt		($26,382)	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$6,398,301	$3,924,284
Total long term liabilities		$6,558,679	$4,007,769
TOTAL LIABILITIES		$7,036,955	$4,430,682
NET ASSETS			
Unrestricted net assets		$467,020	$242,169
Operating Reserves		$752,248	$333,811
Accumulated Operating Surplus (Deficit)		$1,219,268	$575,980
Investment in capital assets		$494,944	$410,658
Capital Reserves		$360,216	$352,084
Total Capital Funds		$855,160	$762,742
Total net assets		$2,074,428	$1,338,722
TOTAL LIABILITIES AND NET ASSETS		$9,111,383	$5,769,404

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 8050

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005 Restated
REVENUES			
Government of Alberta	$4,514,480	$4,287,722	$3,867,148
Federal Government and/or First Nations	$219,783	$206,516	$236,387
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$14,221	$14,480	$13,394
Transportation fees	$0	$0	$0
Other sales and services	$21,111	$10,862	$15,420
Investment income	$35,752	$2,500	$13,760
Gifts and donations	$0	$0	$0
Rentals of facilities	$0	$500	$0
Net school generated funds	$42,245	$15,000	$27,365
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$180,395	$215,089	$180,396
Total Revenues	$5,027,987	$4,752,669	$4,353,870
EXPENSES			
Certificated salaries	$1,889,386	$2,075,719	$1,720,244
Certificated benefits	$230,399	$237,881	$200,405
Uncertificated salaries and wages	$558,449	$572,249	$498,850
Uncertificated benefits	$92,262	$99,982	$80,018
Services, contracts and supplies	$1,360,144	$1,539,903	$1,270,680
Net school generated funds	$42,245	$15,000	$27,365
Capital and debt services			
Amortization of capital assets			
Supported	$180,395	$189,093	$180,396
Unsupported	$37,720	$27,624	$34,517
Total Amortization of capital assets	$218,115	$216,717	$214,913
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$1,281	$0	$1,358
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$4,392,281	$4,757,451	$4,013,833
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$635,706	($4,782)	$340,037
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$635,706	($4,782)	$340,037

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$635,706	$340,037
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($180,395)	($180,396)
Total amortization expense	$218,115	$214,913
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$24,417	$40,706
Prepaids and other current assets	$11,918	($42,302)
Long term accounts receivable	$0	$0
Long term investments	($174)	($219)
Payables and accrued liabilities	($119,961)	$158,469
Deferred revenue	($117,551)	$101,303
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$472,075	$632,511
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($5,116)	($23,781)
Equipment	($22,006)	$0
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe) Transfer land & building from other board	($2,841,576)	$0
Total sources (uses) of cash from Investing activities	($2,868,698)	($23,781)
C. FINANCING ACTIVITIES		
Capital allocations	$271,609	$23,781
Issue of long term debt	$92,280	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe) Transfer of land & buildings	$2,749,296	$0
Total sources (uses) of cash from Financing activities	$3,113,185	$23,781
Net sources (uses) of cash during year	$716,562	$632,511
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$959,452	$326,941
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$1,676,014	$959,452

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 8050

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$1,338,722	$410,658	$242,169	$685,895	$315,000	$134,040	$0	$0	$0	$0	$0	$218,044	$18,811	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$1,338,722	$410,658	$242,169	$685,895	$315,000	$134,040	$0	$0	$0	$0	$0	$218,044	$18,811	$0
Excess(def) of revenue over expenses	$635,706		$635,706											
Board funded capital transactions		$22,006	($22,006)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$100,000	$100,000												
Amortization of capital assets		($218,115)	$218,115											
Amortization of capital allocations		$180,395	($180,395)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($418,437)	$418,437	$255,437		$50,000		$0		$113,000		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($8,132)	$8,132		$8,132		$0		$0		$0		$
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$
Balance at August 31, 2006	$2,074,428	$494,944	$467,020	$1,112,464	$570,437	$142,172	$50,000	$0	$0	$0	$113,000	$218,044	$18,811	$

School Jurisdiction Code: 8050

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$3,924,284
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$3,924,284
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$270,646	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$963	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$2,649,296
Current Year Debenture Principal Repayment		$0
Expended capital allocations - current year	($5,116)	$5,116
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$180,395
Balance at August 31, 2006	$266,493	$6,398,301

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds are recognized as direct increases in net assets in the period which they are received or receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - con't

b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings - masonry and cement	2.5%
- wood frame or renovations	4.0%
Building site improvements	5.0%
Vehicles & buses	10.0%
Equipment	20.0%

Only capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Regional Authority of the Northwest Francophone Education Region No. 1 does not make pension contributions for certificated staff.

f) Inventories

Inventories are recorded at the lesser of cost or net realizable value.

g) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to schools, to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established and the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

k) Investments

Short-term investments are recorded at the lower of cost and market value. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2006

3. ACCOUNTS RECEIVABLE

	2006	2005
	$	$
Province of Alberta	**103,393**	144,157
Province of Alberta - federal language program	**94,590**	92,088
Federal Government	**29,550**	30,226
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other	**30,965**	16,444
	258,498	282,915

4. CAPITAL ASSETS AND ACCUMULATED AMORTIZATION

	2005			**2006**
	$	$	$	**$**
CAPITAL ASSETS	Cost	Additions	Disposals	**Cost**
Land	75,000	100,000	-	**175,000**
Buildings	5,423,734	2,746,692	-	**8,170,426**
Equipment	100,433	22,007	-	**122,440**
Vehicles	288,950	-	-	**288,950**
	5,888,117	2,868,699	-	**8,756,816**
ACCUMULATED AMORTIZATION	Balance	Additions	Deductions	**Balance**
Buildings	1,226,355	189,093	-	**1,415,448**
Equipment	78,854	12,534	-	**91,388**
Vehicles	247,966	16,489		**264,455**
	1,553,175	218,116	-	**1,771,291**
Net book value	4,334,942			**6,985,525**

5. BANK INDEBTEDNESS

The jurisdiction has negotiated an overdraft protection agreement in the amount of $140,000 that bears interest at the bank prime rate + 1.0%. This overdraft agreement is secured by funds held in savings account. There was no balance outstanding on the overdraft agreement at August 31, 2006.

REGIONAL AUTHORITY OF THE NORTHWEST FRANCOPHONE EDUCATION REGION NO. 1

AUDITORS' NOTES TO THE FINANCIAL STATEMENTS

For the year ended August 31, 2006

6. ACCOUNTS PAYABLE AND LIABILITIES

	2006	2005
	$	$
Province of Alberta	6,350	15,508
Federal Government	-	-
Alberta Municipalities	-	-
Other Alberta School Jurisdictions	-	-
Other Trade Payables and Accrued Liabilities	101,754	212,557
	108,104	228,065

7. DEFFERED REVENUE

	2006	2005
	$	$
Unspent portion 2003 - 2004 O&M funding	-	72,416
Video-conferencing grant	26,937	60,000
Class size initiative grant	-	30,510
Infrastructure Maintenance Program	28,928	25,791
Infrastructure Maintenance Renewal	21,432	-
Other	-	6,131
	77,297	194,848

8. OTHER REVENUE FROM ALBERTA EDUCATION

	2006	2005
	$	$
Operations & maintenance - base support Apr-Aug/05	-	131,708
Microsoft license	-	378
Class size reduction - one time funding	3,184	-
Classroom resources - one time funding	6,131	869
Video-conferencing grant	35,044	-
	44,359	132,955

9. LONG TERM DEBT

a) Debenture debt - supported
The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments are due over the next five years and beyond are as follows:

	Principal	Interest	Total
	$	$	$
2006-2007	26,382	10,578	36,960
2007-2008	26,383	7,561	33,944
2008-2009	26,383	4,544	30,927
2009-2010	13,132	1,527	14,659
2010-2011	-	-	-
2011 to maturity	-	-	-
Total	92,280	24,210	116,490

b) Capital leases - unsupported
Currently, there is no capital leases held by the jurisdiction.

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

12. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

	2005 Balance	Appropriated	Utilized	**2006 Balance**
	$	$	$	**$**
Operating				
School - instruction	315,000	255,437	-	**570,437**
School - operation and maintenance	-	50,000	-	**50,000**
System administration	-	-	-	-
Transportation	-	113,000	-	**113,000**
External services	18,811	-	-	**18,811**
	333,811	418,437	-	**752,248**
Capital				
Land	-	-	-	-
Buildings	-	-	-	-
Equipment	134,040	8,132	-	**142,172**
Vehicles	218,044	-	-	**218,044**
	352,084	8,132	-	**360,216**
	685,895	426,569	-	**1,112,464**

13. COMMITMENTS

a) An operating lease agreement for a Ricoh photocopier was signed in March 2006. The monthly lease payments of $206.92 plus G.S.T. total $10,528.32 over a forty eight month period (last payment due June, 2010).

b) An operating lease agreement for office space was signed in October, 2005. The annual lease payments of $16,000 total $48,000 over a three year period (lease in effect to August 31, 2008).

14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Regional Authority of the Northwest Francophone Education Region No. 1 primary source of income is from the Alberta Government. The Regional Authority's ability to continue viable operations is dependent on this funding.

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions, and other other school jurisdictions of Alberta.

	Balances		**Transactions**	
2005-2006	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	6,134	6,350	4,343,746	-
Infrastructure & Transp.	98,667	-	169,834	-
Finance	-	-	-	-
Other Alta Gov't Depts.	900	-	900	-
Other related parties	1,545	281	-	-
TOTAL 2005-2006	107,246	6,631	4,514,480	-
TOTAL 2004-2005	144,901	15,507	3,867,148	-

On August 1, 2006 land and school buildings were transferred from Peace River School Division No. 10 to this school jurisdiction. The fair market value of the assets transferred were as follows: land $100,000 and school building $2,741,576. Debenture debt of $92,280 owing on this property was transferred to this school jurisdiction. A grant of $2,749,296 from the government of Alberta will be paid directly to the transferring jurisdiction once all title transfers are completed.

16. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction management with Board of Trustees approval of the revised version on June 23, 2005. It is presented for information purposes only and has not been audited.

17. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to actual 2006 presentation. Federal french language funding for 2005/06 is shown as federal revenue even though it is received via Alberta Education. The 2004/05 provincial revenues have been restated to show a decrease of $221,049. The federal revenues (2005 $15,338) have been restated to $236,387 showing an offsetting increase of $221,049.

SCHEDULE A to the AFS

School Jurisdiction Cod 8050

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$4,343,746	$2,891,526	$440,038	$596,022	$416,160	$0
(2) **Alberta Infrastructure & Transportation**	$169,834	$0	$169,834			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$900	$0	$900	$0	$0	$0
(5) **Federal Government and/or First Nations**	$219,783	$219,783	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$14,221	$14,221				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$21,111	$1,191	$11,525	$7,445	$950	$0
(12) **Investment income**	$35,752	$35,752	$0	$0	$0	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15) **Net school generated funds**	$42,245	$42,245			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$180,395	$0	$177,448	$2,947		$0
(18) **TOTAL REVENUES**	$5,027,987	$3,204,718	$799,745	$606,414	$417,110	$0
EXPENSES						
(19) **Certificated salaries**	$1,889,386	$1,778,464			$110,922	$0
(20) **Certificated benefits**	$230,399	$219,831			$10,568	$0
(21) **Uncertificated salaries and wages**	$558,449	$389,400	$26,257	$24,348	$118,444	$0
(22) **Uncertificated benefits**	$92,262	$62,449	$6,228	$3,897	$19,688	$0
(23) **SUB - TOTAL**	$2,770,496	$2,450,144	$32,485	$28,245	$259,622	$0
(24) **Services, contracts & supplies**	$1,360,144	$414,980	$378,725	$448,276	$118,163	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$42,245	$42,245				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$180,395	$0	$177,448	$2,947	$0	$0
(28) Unsupported	$37,720	$12,533	$11,645	$13,542	$0	$0
(29) Total Amortization	$218,115	$12,533	$189,093	$16,489	$0	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$1,281	$0	$0	$0	$1,281	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$4,392,281	$2,919,902	$600,303	$493,010	$379,066	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$635,706	$284,816	$199,442	$113,404	$38,044	$0

School Jurisdiction Code: 8050

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$96,672
Base Instruction (Gr 1-12)	$1,365,603
Outreach Programs	$0
Home Education	$2,544
Differential Cost Funding *	$2,709,621
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$3,336
Provincial Priority Targeted Funding	
Class Size Initiative	$69,245
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$35,750
High Speed Networking	$16,616
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): VIDEO-CONFERENCING, CLASSROOM RESOURCES, CLASS SIZE REDUCT	$44,359
Total Alberta Education Revenues	$4,343,746

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 8050

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$271,660	$208,568	$168,092		$0	$4,401	$652,721
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$115,413	$0	$0		$0		$115,413
ECS Program Unit (PUF)	$0	$13,214	$8,002		$0		$21,216
Severe Disabilities (Gr 1-12)	$59,596	$44,959	$23,751		$0		$128,306
English as a Second Language	$28,643	$0	$0		$0		$28,643
French Language Program & Francisation (all jurisdictions)	$122,440	$0	$0		$0		$122,440
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$4,306		$0		$4,306
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$14,000	$0	$21,307	$0	$0		$35,307
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$13,480		$0		$13,480
Class Size	$69,854	$0	$0	$0	$0		$69,854
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$1,316,689	$185,108	$96,878	$79,164	$0	$50,377	$1,728,216
TOTAL EXPENSES	$1,998,295	$451,849	$335,816	$79,164	$0	$54,778	$2,919,902

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	1.6	0.0
ECS Program Unit (PUF)	0.0	0.4
Severe Disabilities (Gr 1-12)	0.9	1.3

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 8050

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$4,392,281**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$263,537
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	271	
	$416,160	$416,160
2005-2006 MAXIMUM EXPENSE LIMIT		**$416,160**
Less: 2005/2006 Board and System Administration expenses		-$379,066
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$37,094

School Jurisdiction Code: 8050

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$83,485
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$148,354	$110,376	$37,978	
Student fees (Non-Instructional) (Note 2)	$8,612	$0	$8,612	
Donations and grants to schools	$6,650	$0	$6,650	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$163,616	$110,376		$53,240
Net SGF Available for Spending				$136,725
Application of Net School Generated Funds:				
Extra-curricular activities			$15,095	
School site beautification			$0	
Field Trips			$9,582	
Equipment			$445	
Family literacy and other community resources			$0	
Other (describe): DONATIONS, ADVERTISIING & PROMOTION, SCHOOL INSTRUCTUION SUPPLIES			$17,123	
Net SGF Expended (Note 3)				$42,245
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$94,480

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 8050

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$4,878	$21,379	$26,257		$26,257
Uncertificated benefits	$0	$0	$0	$0	$6,228	$6,228		$6,228
Sub-total Remuneration	$0	$0	$0	$4,878	$27,607	$32,485		$32,485
Contracted Services	$131,461	$45,621	$0	$0	$15,791	$192,873		$192,873
Supplies	$13,302	$0	$0	$75,861	$415	$89,578		$89,578
Electricity			$47,060			$47,060		$47,060
Natural Gas/Heating Fuel			$35,594			$35,594		$35,594
Sewer and Water			$8,959			$8,959		$8,959
Telecommunications			$0			$0		$0
Insurance					$4,661	$4,661		$4,661
Amortization of capital assets								
Supported							$177,448	$177,448
Unsupported						$11,645		$11,645
Total Amortization						$11,645	$177,448	$189,093
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$144,763	$45,621	$91,613	$80,739	$48,474	$422,855	$177,448	$600,303
SQUARE METRES								
School Buildings								6,043.5
Non School Buildings								495.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 8050

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	CHANTAL MONFETTE	1.0	$6,545	$0	$0			$6,545	$3,657
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	CLAIRE ANCTIL	1.0	$4,310	$2,235	$0			$6,545	$3,177
Name	WANDA LAURIN	1.0	$2,935	$0	$0			$2,935	$520
Name	MARIO PARADIS	1.0	$3,800	$0	$0			$3,800	$3,090
Name	TRUDIE LAVOIE-OLSEN	0.9	$3,625	$0	$0			$3,625	$2,463
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*4.9*	*$21,215*	*$2,235*	*$0*			*$23,450*	*$12,907*
Superintendent	DOLORESE NOLETTE	1.0	$110,922	$10,568	$0	$0	$0	$121,490	$14,794
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	ANITA BELZILE	0.6	$39,457	$8,479	$0	$0	$0	$47,936	$3,822
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		28.5	$1,778,464	$219,831	$0	$0	$0	$1,998,295	
Uncertificated Salaries & Wages		15.0	$497,777	$81,548	$0	$0	$0	$579,325	
TOTALS			**$2,447,835**	**$322,661**	**$0**	**$0**	**$0**	**$2,770,496**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 2255

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Palliser Regional Division No. 26
Legal Name of School Jurisdiction

#101, 3305 - 18th Avenue North Lethbridge, Alberta, T1H 5S1
Mailing Address

Telephone: (403) 328-4111 Fax: (403) 380-6890
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Palliser Regional Division No. 26
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mr. Donald Zech — "ORIGINAL SIGNED"
Name — Signature

SUPERINTENDENT

Dr. Garry Andrews — "ORIGINAL SIGNED"
Name — Signature

SECRETARY TREASURER OR TREASURER

Mr. Laurie Marston — "ORIGINAL SIGNED"
Name — Signature

29-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 2255

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BDO

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Chartered Accountants
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AUDITORS' REPORT

To the Board of Trustees of the
Palliser Regional Division No. 26

We have audited the statement of financial position of the Palliser Regional Division No. 26 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purposes of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BDO Dunwoody LLP

Chartered Accountants

Lethbridge, Alberta
October 27, 2006

School Jurisdiction Code: 2255

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$5,004,627	$2,825,830
Accounts receivable (net after allowances)		$1,297,808	$2,158,944
Prepaid expenses		$147,709	$127,812
Other current assets		$98,903	$83,809
Total current assets		$6,549,047	$5,196,395
School generated assets		$718,670	$717,626
Trust assets		$165,127	$162,425
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$340,000	$340,000
Buildings	$43,250,373		
Less: accumulated amortization	($19,447,270)	$23,803,103	$24,762,424
Equipment	$2,591,960		
Less: accumulated amortization	($1,753,552)	$838,408	$813,559
Vehicles	$6,690,814		
Less: accumulated amortization	($4,067,948)	$2,622,866	$2,774,222
Total capital assets		$27,604,377	$28,690,205
TOTAL ASSETS		$35,037,221	$34,766,651
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,919,819	$1,117,811
Deferred revenue		$599,893	$639,977
Deferred capital allocations		$12,000	$0
Current portion of all long term debt		$402,796	$576,725
Total current liabilities		$2,934,508	$2,334,514
School generated liabilities		$718,670	$717,626
Trust liabilities		$165,127	$162,425
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$3,883,931	$4,301,920
	Less: Current portion of supported debt	($402,796)	($417,989)
Unsupported:	Debentures and Capital Loans	$0	$158,736
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	($158,736)
Other long term liabilities		$0	$0
Unamortized capital allocations		$17,866,934	$18,686,056
Total long term liabilities		$22,231,866	$23,450,037
TOTAL LIABILITIES		$25,166,374	$25,784,551
NET ASSETS			
Unrestricted net assets		$175,000	$116,655
Operating Reserves		$3,065,921	$2,359,805
Accumulated Operating Surplus (Deficit)		$3,240,921	$2,476,460
Investment in capital assets		$5,855,283	$5,543,503
Capital Reserves		$774,643	$962,137
Total Capital Funds		$6,629,926	$6,505,640
Total net assets		$9,870,847	$8,982,101
TOTAL LIABILITIES AND NET ASSETS		$35,037,221	$34,766,651

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 2255

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$35,635,900	$32,041,324	$32,127,274
Federal Government and/or First Nations	$431,438	$390,562	$509,995
Other Alberta school authorities	$15,046	$7,000	$11,403
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$9,000	$9,000	$47,917
Instruction resource fees	$271,855	$275,132	$403,946
Transportation fees	$28,184	$77,200	$19,630
Other sales and services	$424,189	$509,305	$68,760
Investment income	$253,929	$98,600	$125,474
Gifts and donations	$51,584	$100	$66,653
Rentals of facilities	$391,463	$348,313	$404,642
Net school generated funds	$232,077	$305,000	$359,041
Gains on disposal of capital assets	$10,700	$30,000	$20,745
Amortization of capital allocations	$1,291,869	$927,569	$1,134,218
Total Revenues	$39,047,233	$35,019,105	$35,299,697
EXPENSES			
Certificated salaries	$15,979,102	$15,589,528	$15,021,400
Certificated benefits	$1,801,575	$1,870,743	$1,693,599
Uncertificated salaries and wages	$8,058,403	$7,542,449	$7,618,276
Uncertificated benefits	$1,585,354	$1,508,490	$1,472,656
Services, contracts and supplies	$8,002,671	$5,692,893	$5,369,305
Net school generated funds	$232,077	$305,000	$359,041
Capital and debt services			
Amortization of capital assets			
Supported	$1,291,869	$942,525	$1,134,218
Unsupported	$725,927	$595,227	$678,928
Total Amortization of capital assets	$2,017,796	$1,537,752	$1,813,146
Interest on capital debt			
Supported	$399,070	$419,862	$440,764
Unsupported	$6,221	$18,024	$17,167
Total Interest on capital debt	$405,291	$437,886	$457,931
Other interest charges	$17,583	$0	$0
Losses on disposal of capital assets	$58,635	$0	$0
Total Expenses	$38,158,487	$34,484,741	$33,805,353
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$888,746	$534,364	$1,494,343
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$888,746	$534,364	$1,494,343

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$888,746	$1,494,343
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,291,869)	($1,134,218)
Total amortization expense	$2,017,796	$1,813,146
Gains on disposal of capital assets	($10,700)	($20,745)
Losses on disposal of capital assets	$58,635	$0
Changes in accrued accounts:		
Accounts receivable	$861,136	($1,253,976)
Prepaids and other current assets	($34,991)	$20,669
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$802,008	($720,203)
Deferred revenue	($40,084)	$209,318
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$3,250,678	$408,335
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($54,557)	($4,010,597)
Equipment	($537,579)	($5,929)
Vehicles	($398,267)	($687,230)
Net proceeds from disposal of capital assets	$10,500	$78,742
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($979,903)	($4,625,014)
C. FINANCING ACTIVITIES		
Capital allocations	$66,758	$3,037,222
Issue of long term debt	$0	$0
Repayment of long term debt	($576,725)	($576,466)
Add back: supported portion	$417,989	$429,012
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	($91,978)	$2,889,768
Net sources (uses) of cash during year	$2,178,797	($1,326,912)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$2,825,830	$4,152,742
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$5,004,627	$2,825,830

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2255

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	(5) INTERNALLY RESTRICTED NET ASSETS	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$8,982,101	$5,543,503	$116,655	$3,321,942	$2,304,586	$423,310	($87,106)	$258,058	$45,767	$113,214	$96,558	$167,555	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$8,982,101	$5,543,503	$116,655	$3,321,942	$2,304,586	$423,310	($87,106)	$258,058	$45,767	$113,214	$96,558	$167,555	$0	$0
Excess(def) of revenue over expenses	$888,746		$888,746											
Board funded capital transactions		$937,606	($937,606)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,017,796)	$2,017,796											
Amortization of capital allocations		$1,291,869	($1,291,869)											
Disposal of unsupported capital assets	$0	($58,635)	$0	$58,635		$58,635		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$158,736	($158,736)											
Net transfers to operating reserves			($888,746)	$888,746	$120,395		$216,369		$0		$302,400		$249,582	
Net transfers from operating reserves			$182,630	($182,630)	($182,630)		$0		$0		$0		$0	
Net transfers to capital reserves			($689,717)	$689,717		$127,506		$23,011		$14,540		$524,660		$0
Net transfers from capital reserves			$935,846	($935,846)		($537,579)		$0		$0		($398,267)		$0
Balance at August 31, 2006	$9,870,847	$5,855,283	$175,000	$3,840,564	$2,242,351	$71,872	$129,263	$281,069	$45,767	$127,754	$398,958	$293,948	$249,582	$0

School Jurisdiction Code: 2255

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$18,686,056
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$18,686,056
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$54,758	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$12,000	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$417,989
Expended capital allocations - current year	($54,758)	$54,758
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,291,869
Balance at August 31, 2006	$12,000	$17,866,934

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

PALLISER REGIONAL DIVISION NO. 26
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
AUGUST 31, 2006

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1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) **Revenue Recognition** – Revenue is recognized as follows:

- Instruction and support allocations are recognized in the year in which they relate.
- Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- Unrestricted contributions are recognized as revenue when received or receivable. Contributions in kind are recorded at fair market value when reasonably determinable.
- Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

b) **Capital Assets** – Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

▪ Buildings	2.5-4%
▪ Vehicles & Buses	10-20%
▪ Equipment & Furnishings	10-20%

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) **School-Generated Funds** – These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g., yearbook sales, graduation fees, field trip fees, etc.).

d) **Vacation Pay** – Vacation pay is accrued in the period in which the employee earns the benefit.

e) **Pensions** – Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Palliser School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan – the Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $250,301 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) **Inventories** – Inventories are recorded at the lesser of cost or net realizable value.

g) **Prepaid Expenses** – Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

h) **Contributed Services** – Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school-generated funds. Because of the difficulty of compiling these hours, and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) **Financial Instruments** – The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

j) **Operating and Capital Reserves** – Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

k) **Employee Future Benefits** – The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2006, the recorded obligation is $146,086 (2005 $146,086).

l) **Investments** – Short-term investments are valued at the lower of cost or market. Long-term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ —	$ 183,043
Alberta Infrastructure and Transportation	818,914	1,320,235
Alberta Finance	193,790	214,656
Federal Government	84,490	144,440
First Nations	92,056	202,036
Other	108,558	94,534
	$ 1,297,808	**$ 2,158,944**

4. TRUST ASSETS AND LIABILITIES

	2006	2005
Scholarship Trusts	**$165,127**	**$162,245**

5. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $1,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all reven of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Alberta Finance	$ 193,790	$ 214,582
Other Trade Payables & Accrued Liabilities	1,726,029	903,229
	$ 1,919,819	**$ 1,117,811**

7. DEFERRED REVENUE

	2006	2005
Alberta Initiative for School Improvement	$ 153,557	$ 189,487
Infrastructure Maintenance Program	—	118,499
Infrastructure Plant Operations & Maintenance Grant	6,102	6,102
Video - Conferencing	24,459	60,000
Technology One-Time Grant	90,000	90,715
2003-2004 One-Time FNMI Grant	—	24,405
Class Size Initiative Funding	224,489	56,657
2004-2005 One-Time Textbook Grant	36,674	38,674
Other	62,612	55,438
	$ 599,893	**$ 639,977**

8. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

9. LONG-TERM DEBT

a) **Debenture Debt – Supported** – The debenture debt bears interest at rates varying between 7.500% and 11.625%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

Year	Principle	Interest	Total
2007	402,796	378,194	**780,990**
2008	395,281	338,043	**733,324**
2009	386,853	298,597	**685,450**
2010	382,704	260,116	**642,820**
2011	380,862	222,081	**602,943**
Thereafter	1,935,435	608,996	**2,544,431**
Total	**$ 3,883,931**	**$2,106,027**	**$5,989,958**

b) **Capital Leases – Unsupported** – There are currently no capital leases held by the jurisdiction.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

11. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

12. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Palliser School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent of this funding.

13. CONTINGENT LIABILITY

In October 2003, the jurisdiction was named defendant in a lawsuit filed in Lethbridge Provincial Court. The complainants allege they suffered personal injuries through the negligence of the jurisdiction to properly control environmental contamination on one of its school properties. In the opinion of management and legal counsel, the outcome of the lawsuit, now pending, is not determinable. Should any loss not covered by insurance result from the resolution of these claims, such loss will be charged to operations in the year of resolution. It is management's opinion any damages awarded, if any, would be covered by insurance.

The jurisdiction is currently engaged in a boundary dispute with another school jurisdiction in which initial judgment was in favor of Palliser Regional Division No. 26. At this time it is of management and legal counsel's opinion that the appeal outcome in this dispute is undeterminable.

The jurisdiction has also been named as defendant in a human rights complaint. In the opinion of management and legal counsel, the outcome of the complaint is not determinable.

Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that results from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located at various school sites. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

14. RELATED PARTY TRANSACATIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entries consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions, and other school jurisdictions in Alberta. The Palliser School Division had related party transactions for the year ended August 31, 2006 with the Red Deer College recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta :				
Education	$31,663	$543,500	$34,922,569	-
Infrastructure & Transportation	818,914	6,102	1,291,869	7,070
Finance	193,790	4,077,721	398,996	-
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	4,400	-
Other Gov't of Alberta departments	-	-	-	23,155
Other:				
Health authorities	-	-	74,036	34,414
Post-secondary Institutions	-	-	3,378	1,388
Other Alberta school jurisdictions	4,224	53,481	15,046	2,079,737
Other related parties	-	-	309,821	23,155
Total 2005-2006	$1,048,591	$4,680,804	$37,020,115	$2,168,919
Total 2004-2005	$1,795,885	$5,101,041	$31,903,562	$149,182

SCHEDULE A to the AFS

School Jurisdiction Cod 2255

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$34,922,569	$25,270,722	$3,395,674	$2,763,847	$1,347,083	$2,145,243
(2) **Alberta Infrastructure & Transportation**	$0	$0	$0			
(3) **Alberta Finance**	$398,996		$398,996			$0
(4) **Other - Government of Alberta**	$314,335	$309,821	$2,257	$2,257	$0	$0
(5) **Federal Government and/or First Nations**	$431,438	$431,438	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$15,046	$4,194	$0	$10,852	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$9,000	$0	$0	$9,000	$0	$0
(9) **Instruction resource fees**	$271,855	$271,855				
(10) **Transportation fees**	$28,184			$28,184		
(11) **Other sales and services**	$424,189	$188,343	$154,664	$55,170	$26,012	$0
(12) **Investment income**	$253,929	$0	$2,253	$0	$206,193	$45,483
(13) **Gifts and donations**	$51,584	$51,584	$0	$0		$0
(14) **Rentals of facilities**	$391,463	$0	$37,105	$0	$0	$354,358
(15) **Net school generated funds**	$232,077	$232,077			$0	
(16) **Gains on disposal of capital assets**	$10,700	$0	$0	$10,700	$0	$0
(17) **Amortization of capital allocations**	$1,291,869	$0	$1,291,869	$0		$0
(18) **TOTAL REVENUES**	$39,047,233	$26,760,034	$5,282,818	$2,880,010	$1,579,288	$2,545,084
EXPENSES						
(19) **Certificated salaries**	$15,979,102	$15,674,350			$304,752	$0
(20) **Certificated benefits**	$1,801,575	$1,767,216			$34,359	$0
(21) **Uncertificated salaries and wages**	$8,058,403	$5,162,913	$1,149,652	$1,115,733	$578,900	$51,205
(22) **Uncertificated benefits**	$1,585,354	$1,032,371	$283,130	$114,694	$144,073	$11,086
(23) **SUB - TOTAL**	$27,424,434	$23,636,850	$1,432,782	$1,230,427	$1,062,084	$62,291
(24) **Services, contracts & supplies**	$8,002,671	$2,584,571	$1,919,717	$822,523	$485,081	$2,190,779
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$232,077	$232,077				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,291,869	$0	$1,291,869	$0	$0	$0
(28) Unsupported	$725,927	$127,506	$23,011	$524,660	$14,540	$36,210
(29) Total Amortization	$2,017,796	$127,506	$1,314,880	$524,660	$14,540	$36,210
Interest on capital debt						
(30) Supported	$399,070	$0	$399,070	$0	$0	$0
(31) Unsupported	$6,221	$0	$0	$0	$0	$6,221
(32) Other interest charges	$17,583	$0	$0	$0	$17,583	$0
(33) Losses on disposal of capital assets	$58,635	$58,635	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$38,158,487	$26,639,639	$5,066,449	$2,577,610	$1,579,288	$2,295,501
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$888,746	$120,395	$216,369	$302,400	$0	$249,583

School Jurisdiction Code: 2255

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$826,673
Base Instruction (Gr 1-12)	$17,529,066
Outreach Programs	$104,040
Home Education	$0
Differential Cost Funding *	$9,480,383
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$0
Provincial Priority Targeted Funding	
Class Size Initiative	$552,019
Student Health Initiative (SHI)	$2,100,230
Alberta Initiative for School Improvement (AISI)	$501,805
High Speed Networking	$60,000
Children and Youth with Complex Needs	$219,697
Infrastructure Maintenance Renewal (IMR)	$384,482
Other Alberta Education Revenues (describe): O&M, Classroom Walkthrough, Technology, FNMI Grants	$3,164,174
Total Alberta Education Revenues	$34,922,569

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2255

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,875,015	$702,511	$29,418		$0	$0	$2,606,944
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$767,372	$427,952	$112,201		$0		$1,307,525
ECS Program Unit (PUF)	$323,523	$619,648	$238,401		$0		$1,181,572
Severe Disabilities (Gr 1-12)	$609,936	$2,096,844	$141,186		$0		$2,847,966
English as a Second Language	$80,054	$252,038	$38,154		$0		$370,246
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$6,788	$42,838	$27,433		$0		$77,059
Home Education	$0	$0	$40,054		$0		$40,054
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$303,735	$0	$156,484	$16,126	$0		$476,345
Student Health Initiative	$0	$156,951	$5,153		$0		$162,104
High Speed Networking			$126,574		$0		$126,574
Class Size	$552,019	$0	$0	$0	$0		$552,019
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$102,478		$0		$102,478
All Other Student Instruction Expenses (ECS - Gr 12)	$12,923,124	$1,896,502	$1,048,276	$502,633	$0	$187,021	$16,788,753
TOTAL EXPENSES	$17,441,566	$6,195,284	$2,065,812	$518,759	$0	$187,021	$26,639,639

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	9.8	19.8
ECS Program Unit (PUF)	4.0	30.9
Severe Disabilities (Gr 1-12)	7.0	91.3

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2255

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES			$38,158,487

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	5.27%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,010,952
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$2,010,952
Less: 2005/2006 Board and System Administration expenses		-$1,579,288
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$431,664

School Jurisdiction Code: 2255

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$717,626
Source of Net School Generated Funds:				
Fundraising activities	$1,173,402	$938,722	$234,680	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$0	$0	$0	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$1,173,402	$938,722		$234,680
Net SGF Available for Spending				$952,306
Application of Net School Generated Funds:				
Extra-curricular activities			$175,227	
School site beautification			$0	
Field Trips			$58,409	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$233,636
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$718,670

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2255

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$703,455	$376,716	$0	$0	$69,481	$1,149,652		$1,149,652
Uncertificated benefits	$172,926	$93,043	$0	$0	$17,161	$283,130		$283,130
Sub-total Remuneration	$876,381	$469,759	$0	$0	$86,642	$1,432,782		$1,432,782
Contracted Services	$215,861	$451,235	$0	$384,482	$321	$1,051,899		$1,051,899
Supplies	$95,604	$82,658	$0	$0	$4,841	$183,103		$183,103
Electricity			$309,340			$309,340		$309,340
Natural Gas/Heating Fuel			$264,976			$264,976		$264,976
Sewer and Water			$33,562			$33,562		$33,562
Telecommunications			$6,202			$6,202		$6,202
Insurance					$70,635	$70,635		$70,635
Amortization of capital assets								
Supported							$1,291,869	$1,291,869
Unsupported						$23,011		$23,011
Total Amortization						$23,011	$1,291,869	$1,314,880
Interest on capital debt								
Supported							$399,070	$399,070
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,187,846	$1,003,652	$614,080	$384,482	$162,439	$3,375,510	$1,690,939	$5,066,449
SQUARE METRES								
School Buildings								55,217.0
Non School Buildings								3,485.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2255

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mr. Don Zech	1.0	$17,340	$733	$0			$18,073	$7,970
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Mrs. Esther Willms	1.0	$12,380	$485	$0			$12,865	$5,573
Name	Mrs. Jean Mrak	1.0	$11,260	$453	$0			$11,713	$4,363
Name	Mr. Joe Watson	1.0	$9,100	$481	$0			$9,581	$1,740
Name	Mrs. Colleen Deitz	1.0	$12,060	$531	$0			$12,591	$7,539
Name	Mr. Robert Strauss	1.0	$5,660	$295	$0			$5,955	$1,049
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*6.0*	*$67,800*	*$2,978*	*$0*			*$70,778*	*$28,234*
Superintendent	Dr. Garry Andrews	1.0	$124,028	$4,340	$0	$0	$0	$128,368	$14,724
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Mr. Laurie Marston	1.0	$112,440	$20,263	$0	$0	$0	$132,703	$15,529
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		208.3	$15,855,074	$1,797,235	$0	$0	$0	$17,652,309	
Uncertificated Salaries & Wages		196.9	$7,878,163	$1,562,113	$0	$0	$0	$9,440,276	
TOTALS			**$24,037,505**	**$3,386,929**	**$0**	**$0**	**$0**	**$27,424,434**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 2305

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Parkland School Division No. 70
Legal Name of School Jurisdiction

4603 48 Street Stony Plain, AB T7Z 2A8
Mailing Address

Telephone: 780-963-4010 Fax: 780-963-4169
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Parkland School Division No 70 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Grace Gruber	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT

Mary Lynne Campbell	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Tom Olson	**"ORIGINAL SIGNED"**
Name	**Signature**

5-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 2305

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PRICEWATERHOUSECOOPERS

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December 5, 2006

Auditors' Report

To the Board of Trustees of
Parkland School Division No. 70

We have audited the statement of financial position of **Parkland School Division No. 70** as at August 31, 2006 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2006 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules A through G and notes 10 through 13 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The budgeted information in the statement of revenue and expenses has not been subjected to audit procedures and, accordingly, we do not express an opinion on this information.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

School Jurisdiction Code: 2305

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$13,788,753	$6,730,477
Accounts receivable (net after allowances)		$2,772,805	$5,004,332
Prepaid expenses		$249,187	$241,813
Other current assets		$0	$0
Total current assets		$16,810,745	$11,976,622
School generated assets		$1,127,523	$1,214,137
Trust assets		$264,154	$445,686
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$4,167,683	$4,205,583
Buildings	$84,741,267		
Less: accumulated amortization	($37,426,903)	$47,314,364	$48,471,362
Equipment	$5,615,889		
Less: accumulated amortization	($4,103,667)	$1,512,222	$1,027,230
Vehicles	$930,200		
Less: accumulated amortization	($503,160)	$427,040	$383,424
Total capital assets		$53,421,309	$54,087,599
TOTAL ASSETS		$71,623,731	$67,724,044
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$3,183,424	$2,970,158
Deferred revenue		$1,361,336	$571,642
Deferred capital allocations		$991,491	$390,066
Current portion of all long term debt		$1,280,663	$1,692,495
Total current liabilities		$6,816,914	$5,624,361
School generated liabilities		$1,127,523	$1,214,137
Trust liabilities		$264,154	$445,686
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities			$0
Long term debt			
Supported: Debentures and other supported debt		$4,512,797	$6,205,292
Less: Current portion of supported debt		($1,280,663)	($1,692,495)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$43,638,751	$43,005,359
Total long term liabilities		$48,262,562	$49,177,979
TOTAL LIABILITIES		$55,079,476	$54,802,340
NET ASSETS			
Unrestricted net assets		$3,745,201	$3,230,349
Operating Reserves		$4,794,904	$2,472,268
Accumulated Operating Surplus (Deficit)		$8,540,105	$5,702,617
Investment in capital assets		$5,269,761	$4,876,948
Capital Reserves		$2,734,389	$2,342,139
Total Capital Funds		$8,004,150	$7,219,087
Total net assets		$16,544,255	$12,921,704
TOTAL LIABILITIES AND NET ASSETS		$71,623,731	$67,724,044

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 2305

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$73,036,737	$71,760,792	$68,487,053
Federal Government and/or First Nations	$1,257,631	$1,119,953	$1,119,953
Other Alberta school authorities	$76,450	$46,228	$60,521
Out of province authorities	$20,600	$18,074	$0
Alberta Municipalities (excluding supplementary requisitions)	$29,906	$35,900	$35,907
Instruction resource fees	$1,067,450	$745,120	$1,049,968
Transportation fees	$213,934	$226,000	$114,595
Other sales and services	$1,559,969	$86,431	$1,451,294
Investment income	$376,313	$295,000	$264,775
Gifts and donations	$0	$0	$0
Rentals of facilities	$27,738	$2,800	$2,940
Net school generated funds	$389,311	$475,102	$413,900
Gains on disposal of capital assets	$151,730	$0	$72,762
Amortization of capital allocations	$2,016,778	$1,700,908	$1,988,438
Total Revenues	$80,224,547	$76,512,308	$75,062,106
EXPENSES			
Certificated salaries	$35,935,105	$36,790,268	$35,228,969
Certificated benefits	$4,471,197	$4,437,815	$4,052,058
Uncertificated salaries and wages	$11,432,048	$11,180,653	$11,580,405
Uncertificated benefits	$2,911,219	$2,491,331	$2,785,409
Services, contracts and supplies	$18,449,954	$19,392,908	$17,151,582
Net school generated funds	$389,311	$475,102	$413,900
Capital and debt services			
Amortization of capital assets			
Supported	$2,016,778	$1,700,908	$1,988,438
Unsupported	$425,488	$577,276	$396,322
Total Amortization of capital assets	$2,442,266	$2,278,184	$2,384,760
Interest on capital debt			
Supported	$570,896	$672,493	$762,955
Unsupported	$0	$0	$0
Total Interest on capital debt	$570,896	$672,493	$762,955
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$154,769
Total Expenses	$76,601,996	$77,718,754	$74,514,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$3,622,551	($1,206,446)	$547,299
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$3,622,551	($1,206,446)	$547,299

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 2305

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$3,622,551	$547,299
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,016,778)	($1,988,438)
Total amortization expense	$2,442,266	$2,384,760
Gains on disposal of capital assets	($151,730)	($72,762)
Losses on disposal of capital assets	$0	$154,769
Changes in accrued accounts:		
Accounts receivable	$2,231,527	($2,615,747)
Prepaids and other current assets	($7,374)	($52,193)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$213,266	$35,466
Deferred revenue	$789,694	$13,373
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$7,123,422	($1,593,473)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($916,556)	($9,719,176)
Equipment	($800,999)	($566,473)
Vehicles	($124,506)	($249,720)
Net proceeds from disposal of capital assets	$189,632	$113,261
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($1,652,429)	($10,422,108)
C. FINANCING ACTIVITIES		
Capital allocations	$1,587,283	$7,294,889
Issue of long term debt	$0	$0
Repayment of long term debt	($1,692,495)	($1,693,255)
Add back: supported portion	$1,692,495	$1,693,255
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$1,587,283	$7,294,889
Net sources (uses) of cash during year	$7,058,276	($4,720,692)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$6,730,477	$11,451,169
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$13,788,753	$6,730,477

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2305

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$12,921,704	$4,876,948	$3,230,349	$4,814,407	$1,702,599	$1,142,182	$357,373	$173,403	$338,623	$891,965	$73,673	$134,589	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$12,921,704	$4,876,948	$3,230,349	$4,814,407	$1,702,599	$1,142,182	$357,373	$173,403	$338,623	$891,965	$73,673	$134,589	$0	$0
Excess(def) of revenue over expenses	$3,622,551		$3,622,551											
Board funded capital transactions		$130,180	($130,180)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,442,266)	$2,442,266											
Amortization of capital allocations		$2,016,778	($2,016,778)											
Disposal of unsupported capital assets	$0	$726,021	($5,136)	($720,885)		($494,789)		($226,096)		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	($37,900)	($146,596)	$184,496		$0		$0		$184,496		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($3,194,606)	$3,194,606	$2,812,511		$163,905		$146,524		$71,666		$0	
Net transfers from operating reserves			$871,970	($871,970)	($742,352)		($48,507)		($81,111)		$0		$0	
Net transfers to capital reserves			($928,639)	$928,639		$509,849		$300,917		$87,127		$30,746		$0
Net transfers from capital reserves			$0	$0										
Balance at August 31, 2006	$16,544,255	$5,269,761	$3,745,201	$7,529,293	$3,772,758	$1,157,242	$472,771	$248,224	$404,036	$1,163,588	$145,339	$165,335	$0	$0

School Jurisdiction Code: 2305

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$390,066	$43,005,359
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$390,066	$43,005,359
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$705,985	
Infrastructure & Transportation-School/Modular Project Capital *	$881,298	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$1,692,495
Expended capital allocations - current year	($985,858)	$985,858
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$28,183
Capital allocations amortized to revenue		$2,016,778
Balance at August 31, 2006	$991,491	$43,638,751

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

PARKLAND SCHOOL DIVISION NO. 70

Notes to the Financial Statements

Year Ended August 31, 2006

1. Authority and Purpose

Parkland School Division No. 70 delivers education programs under the authority of the School Act, Chapter S3.1, Statues of Alberta, January 1, 2000.

The School Division receives block allocations for Instruction, Support and Capital purposes under Regulation 77/2003. The Regulation limits funding and expenses for administration. It permits the School Division, within specified limits, to reallocate funding between the instruction and support blocks.

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Revenue Recognition

Revenue from the Provincial and Federal governments for instruction and support is recognized in the year to which they relate.

Instruction and transportation fees are recognized when the services are provided.

Unrestricted contributions are recognized as revenue when received and receivable.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the School Division because the accountability and control/ownership of these funds rests with School Division officials or their appointee(s).

Property and Equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 4%
Equipment	20%
Vehicles	10% and 20%

Only property and equipment with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Contributed Services

Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Parkland School Division No. 70 does not make pension contributions for certificated staff.

The School Division participates in the multi-employer pension plan, Local Authorities Pension Plan. At August 31, 2006, the School Division's expense for this pension plan is equivalent to the annual contributions of $1,067,539 (2005 - $842,177).

At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

Financial Instruments

The School Division's financial instruments consist of cash, accounts receivable, accounts payable and accruals and long-term debt. It is management's opinion that the division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

Reserves

Reserves created by authorization of the Board of Trustees represent allocations for future capital expenditures and future operating expenses. The reserves are established and expended in accordance with terms and conditions established by the Board of Trustees.

3. Accounts Receivable

	2006	2005
Provincial government	$ 2,305,639	$ 2,664,229
Federal government/First nations	204,978	270,594
Municipalities	22,104	1,604,840
Other school divisions	12,123	21,149
Other	227,961	443,520
	$ 2,772,805	**$ 5,004,332**

4. Trust Assets and Liabilities

	2006	2005
Endowment funds for scholarships	$ 81,088	$ 90,518
Deferred salaries	183,066	355,168
	$ 264,154	**$ 445,686**

5. Property and Equipment

			2006	2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 4,167,683	-	$ 4,167,683	$ 4,205,583
Buildings	84,741,267	37,426,903	47,314,364	48,471,362
Equipment	5,615,889	4,103,667	1,512,222	1,027,230
Vehicles	930,200	503,160	427,040	383,424
	$95,455,039	**$42,033,730**	**$53,421,309**	**$54,087,599**

6. Accounts Payable and Accruals

	2006	2005
Provincial government	$ 242,859	$ 344,455
Federal government/First nations	600,798	618,419
Other	2,339,767	2,007,284
	$ 3,183,424	**$ 2,970,158**

7. Deferred Revenue

	2006	2005
Alberta Education		
Funding Framework	$ -	$ 29,378
Edmonton Regional Learning Consortium	$ 1,095,970	$ 244,912
Alberta Infrastructure	-	165,690
Other	265,366	131,662
	$ 1,361,336	**$ 571,642**

8. Deferred Capital Contributions and Unamortized Capital Allocations

	2006		**2005**	
	Deferred Capital Contributions	**Unamortized Capital Allocations**	**Deferred Capital Contributions**	**Unamortized Capital Allocations**
Balance, beginning of year	$ 390,066	$43,005,359	$ 2,931,746	$33,720,127
Government grants	1,587,283	-	5,694,889	-
Proceeds on disposal of supported capital assets	-	-	1,600,000	-
Expended on property and equipment	(985,858)	985,858	(9,836,569)	9,836,569
Debt retirement	-	1,692,495	-	1,693,255
Unamortized capital allocation affected by a disposal through transfer out	-	(28,183)	-	(256,154)
Amortization of capital assets acquired from capital contributions	-	(2,016,778)	-	(1,988,438)
Balance, end of year	**$ 991,491**	**$43,638,751**	**$ 390,066**	**$43,005,359**

9. Long-term Debt

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance.

	2006	2005
Debentures	$ 4,512,797	$ 6,205,292
Less current portion	1,280,663	1,692,495
	$ 3,232,134	**$ 4,512,797**

Debenture principle and interest amounts due in each of the next five years are as follows:

	Principal	Interest	Total
2007	1,280,663	479,370	1,760,033
2008	910,240	335,549	1,245,789
2009	658,151	235,651	893,802
2010	505,351	165,916	671,267
2011	448,920	114,517	563,437
2012 and thereafter	709,472	126,264	835,736
	$ 4,512,797	**$ 1,457,267**	**$5,970,064**

Cash interest paid during the year by the School Division was $672,493 (2005 - $865,710).

10. School Generated Funds

	2006	2005
Balance, beginning of year	$ 1,214,137	$ 713,330
Source of Net School Generated Funds (SGF)	302,697	914,707
Net SGF available for discretionary spending	1,516,834	1,628,037
Net Less: net SGF expended for the year	(389,311)	(413,900)
Balance, end of year	**$ 1,127,523**	**$ 1,214,137**

11. Reserves

	Balance, beginning of year	Appropriated during the year	Utilized during the year	Balance, end of year
Operating				
School instructional	$ 1,702,599	$ 2,812,511	$ 742,352	$ 3,772,758
System administration	338,623	146,524	81,111	404,036
Operation & maintenance	357,373	163,905	48,507	472,771
Transportation	73,673	71,666	-	145,339
	2,472,268	$ 3,194,606	$ 871,970	$ 4,794,904
Capital				
Land	29,194	-	-	29,194
Buildings	658,768	271,282	-	930,050
Equipment	1,515,179	573,697	601,516	1,487,360
Vehicles	138,998	273,292	124,505	287,785
	2,342,139	1,118,271	726,021	2,734,389
TOTAL	$ 4,814,407	$ 4,312,877	$ 1,597,991	$ 7,529,293

12. Program Expenses

	2006 Budget (Note 19)	2006 Actual	2005 Actual
Early childhood services	1,965,242	2,468,088	1,993,537
Student instruction	54,943,143	52,551,376	52,389,526
Operation and maintenance	9,882,183	9,597,909	9,197,906
Student transportation	7,111,736	7,201,237	6,674,578
Board/system administration	2,809,802	2,638,546	2,731,811
External services	531,546	1,755,529	1,113,549
School generated funds (Note 10)	475,102	389,311	413,900
	$77,718,754	$76,601,996	$74,514,807

13. Disclosure of Salaries and Benefits

	Number	Salaries and Wages	Benefits and Allowances	Total
Chairperson of the board	1	$ 17,179	$ 4,282	$ 21,461
Other board members	6	75,278	13,549	88,827
Superintendent	1	144,164	18,333	162,497
Secretary Treasurer	1	142,866	10,380	153,246
Salaries - Certificated	505	35,790,940	4,452,864	40,243,804
Salaries - Non-certificated	467	11,202,003	2,877,731	14,079,734
	981	$47,372,430	$ 7,377,133	$54,749,569

PARKLAND SCHOOL DIVISION NO. 70
Notes to the Financial Statements
Year Ended August 31, 2006

14. Related Party Transactions

Effective 2005-2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Assets (cost or net realizable value)	Liabilities (fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 2, 005,581	$ 2,087,461	$ 71,332,392	$ -
Infrastructure & transportation	-	-	991,421	-
Finance	242,859	4,755,656	570,896	571,801
Other	57,199	-	142,028	-
	2,305,639	**6,843,117**	**73,036,737**	**571,801**
Other				
Health authorities	-	-	-	225
Post-secondary institutions	-	-	-	1,224
Other Alberta school jurisdictions	12,123	-	76,450	23,336
TOTAL 2005-2006	**$ 2,317,762**	**$ 6,843,117**	**$ 73,113,187**	**$ 596,586**
TOTAL 2004-2005	**$ 2,685,378**	**$ 7,379,793**	**$ 68,563,503**	**$ 762,955**

15. Commitment

The School Division is committed under non-cancelable operating leases for equipment in the amount of $81,717 payable over the next year.

16. Economic Dependence on Related Third Party

The School Division's primary source of income is from the Alberta Government. The School Division's ability to continue viable operations is dependent on this funding.

17. Contingencies

The School Division is a member of the Alberta Local Authorities Reciprocal Insurance Exchange. Under the terms of membership, the School Division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred will be accounted for as a current transaction in the year the losses are determined.

18. Asset Retirement Obligations

During the year, the Board applied the interpretations of the Canadian Institute of Chartered Accountants Emerging Issues Committee abstract 159 "Conditional Asset Retirement Obligations" (EIC-159). Under EIC-159, a liability should be recognized if the entity has sufficient information to reasonably estimate the fair value of the asset retirement obligation. The Board has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be covered in the future by funding through the Alberta Government. The Board believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been specified and information is not available to apply an expected present value technique.

19. Budget Amounts

The budget was prepared by the School Division management with the Board of Trustees approval given on June 28, 2005. A revised budget based on student enrolments at September 30, 2005 is presented in these statements for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 2305

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

	REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1)	**Alberta Education**	$71,332,392	$53,907,375	$6,618,087	$6,932,249	$2,595,064	$1,279,617
(2)	**Alberta Infrastructure & Transportation**	$991,421	$0	$991,421			
(3)	**Alberta Finance**	$570,896		$570,896			$0
(4)	**Other - Government of Alberta**	$142,028	$142,028	$0	$0	$0	$0
(5)	**Federal Government and/or First Nations**	$1,257,631	$1,089,056	$121,595	$0	$46,980	$0
(6)	**Other Alberta school authorities**	$76,450	$67,654	$0	$8,796	$0	$0
(7)	**Out of province authorities**	$20,600	$20,600	$0	$0	$0	$0
(8)	**Alberta municipalities** (excl. supplementary requisitions)	$29,906	$0	$0	$0	$0	$29,906
(9)	**Instruction resource fees**	$1,067,450	$1,067,450				
(10)	**Transportation fees**	$213,934			$213,934		
(11)	**Other sales and services**	$1,559,969	$783,602	$193,562	$101,456	$46,863	$434,486
(12)	**Investment income**	$376,313	$285,997	$41,395	$33,868	$15,053	$0
(13)	**Gifts and donations**	$0	$0	$0	$0		$0
(14)	**Rentals of facilities**	$27,738	$12,216	$4,002	$0	$0	$11,520
(15)	**Net school generated funds**	$389,311	$389,311			$0	
(16)	**Gains on disposal of capital assets**	$151,730	$2,195	$2,940	$0	$146,595	$0
(17)	**Amortization of capital allocations**	$2,016,778	$0	$2,016,778	$0		$0
(18)	**TOTAL REVENUES**	$80,224,547	$57,767,484	$10,560,676	$7,290,303	$2,850,555	$1,755,529
	EXPENSES						
(19)	**Certificated salaries**	$35,935,105	$35,609,755			$325,350	$0
(20)	**Certificated benefits**	$4,471,197	$4,436,728			$34,469	$0
(21)	**Uncertificated salaries and wages**	$11,432,048	$6,969,312	$2,787,018	$328,261	$1,127,280	$220,177
(22)	**Uncertificated benefits**	$2,911,219	$1,818,445	$726,337	$71,937	$264,897	$29,603
(23)	**SUB - TOTAL**	$54,749,569	$48,834,240	$3,513,355	$400,198	$1,751,996	$249,780
(24)	**Services, contracts & supplies**	$18,449,954	$5,767,494	$3,594,462	$6,784,729	$797,520	$1,505,749
(25)	**Cost recoveries between programs**	$0	$204,732	($192,199)	($14,436)	$1,903	$0
(26)	**Net school generated funds**	$389,311	$389,311				
	Capital and debt services						
	Amortization of capital assets						
(27)	Supported	$2,016,778	$0	$2,016,778	$0	$0	$0
(28)	Unsupported	$425,488	$212,998	$94,617	$30,746	$87,127	$0
(29)	Total Amortization	$2,442,266	$212,998	$2,111,395	$30,746	$87,127	$0
	Interest on capital debt						
(30)	Supported	$570,896	$0	$570,896	$0	$0	$0
(31)	Unsupported	$0	$0	$0	$0	$0	$0
(32)	Other interest charges	$0	$0	$0	$0	$0	$0
(33)	Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34)	**TOTAL EXPENSES**	$76,601,996	$55,408,775	$9,597,909	$7,201,237	$2,638,546	$1,755,529
(35)	**EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$3,622,551	$2,358,709	$962,767	$89,066	$212,009	$0

School Jurisdiction Code: 2305

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,595,088
Base Instruction (Gr 1-12)	$44,256,876
Outreach Programs	$156,060
Home Education	$21,624
Differential Cost Funding *	$20,325,786
Other Provincial Support	
Institutional Programs	$327,862
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$1,279,617
Learning Resources Credit Allocation	$65,593
Provincial Priority Targeted Funding	
Class Size Initiative	$1,882,054
Student Health Initiative (SHI)	$18,801
Alberta Initiative for School Improvement (AISI)	$1,142,188
High Speed Networking	$132,924
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$17,919
Other Alberta Education Revenues (describe): Video Coferencing, Social Studies Leadership Capacity	$110,000
Total Alberta Education Revenues	$71,332,392

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2305

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$4,207,202	$3,325,635	$1,106,608		($198,317)	$0	$8,441,128
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$1,014,194	$960,773	$8,846		$0		$1,983,813
ECS Program Unit (PUF)	$242,831	$657,972	$328,751		$0		$1,229,554
Severe Disabilities (Gr 1-12)	$970,097	$2,339,089	$88,648		$0		$3,397,834
English as a Second Language	$13,221	$2,644	$1,763		$0		$17,628
French Language Program & Francisation (all jurisdictions)	$62,347	$12,470	$8,313		$0		$83,130
First Nations, Metis and Inuit Education (ECS - Gr 12)	$336,667	$67,334	$44,889		$0		$448,890
Home Education	$19,544	$0	$4,270		$0		$23,814
Institutional Programs	$272,718	$74,036	$62,500		$0		$409,254
Alberta Initiative for School Improvement	$531,594	$0	$610,594	$0	$0		$1,142,188
Student Health Initiative	$0	$0	$18,801		$0		$18,801
High Speed Networking			$132,924		$0		$132,924
Class Size	$1,882,054	$0	$0	$0	$0		$1,882,054
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$30,494,013	$1,347,804	$4,727,388	$1,835,651	$311,926	$389,311	$36,197,763
TOTAL EXPENSES	$40,046,482	$8,787,757	$7,144,295	$1,835,651	$113,609	$389,311	$55,408,775

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	12.9	37.3
ECS Program Unit (PUF)	3.1	25.6
Severe Disabilities (Gr 1-12)	12.4	90.9

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2305

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$76,601,996**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$3,064,080
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	8,824	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$3,064,080**
Less: 2005/2006 Board and System Administration expenses		-$2,638,546
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$425,534

School Jurisdiction Code: 2305

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$1,214,137
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,719,819	$1,404,588	$315,231	
Student fees (Non-Instructional) (Note 2)	$593,686	$602,052	($8,366)	
Donations and grants to schools	$212,401	$253,443	($41,042)	
Other (describe): Bank charges, iterest, GST rebate, staff acti	$136,469	$99,595	$36,874	
Net Additions to SGF	$2,662,375	$2,359,678		$302,697
Net SGF Available for Spending				$1,516,834
Application of Net School Generated Funds:				
Extra-curricular activities			$166,571	
School site beautification			$15,959	
Field Trips			$39,198	
Equipment			$57,791	
Family literacy and other community resources			$1,481	
Other (describe): Recognition, charitable donations, cotribution to budget			$108,311	
Net SGF Expended (Note 3)				$389,311
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$1,127,523

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2305

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,867,561	$614,045	$0	$0	$305,412	$2,787,018		$2,787,018
Uncertificated benefits	$508,202	$151,569	$0	$0	$66,566	$726,337		$726,337
Sub-total Remuneration	$2,375,763	$765,614	$0	$0	$371,978	$3,513,355		$3,513,355
Contracted Services	$3,648	$744,058	$0	$896,560	$22,608	$1,666,874		$1,666,874
Supplies	$157,424	$337,955	$0	$0	$0	$495,379		$495,379
Electricity			$720,485			$720,485		$720,485
Natural Gas/Heating Fuel			$475,433			$475,433		$475,433
Sewer and Water			$58,997			$58,997		$58,997
Telecommunications			$16,288			$16,288		$16,288
Insurance					$161,006	$161,006		$161,006
Amortization of capital assets								
Supported							$2,016,778	$2,016,778
Unsupported						$94,617		$94,617
Total Amortization						$94,617	$2,016,778	$2,111,395
Interest on capital debt								
Supported							$570,896	$570,896
Unsupported						$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($192,199)		($192,199)
TOTAL EXPENSES	$2,536,835	$1,847,627	$1,271,203	$896,560	$555,592	$7,010,235	$2,587,674	$9,597,909
SQUARE METRES								
School Buildings								104,496.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2305

SCHEDULE G to the AFS

DISCLOSURE OF SALARIES AND BENEFITS - 2005-200

(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Grace Gruber	1.0	$17,179	$4,282	$0			$21,461	$11,250
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Marie Ansley	1.0	$10,377	$5,023	$0			$15,400	$1,772
Name	Jeanette Smith	1.0	$16,961	$2,198	$0			$19,159	$5,996
Name	Sharon Cornelius	1.0	$11,367	$755	$0			$12,122	$4,191
Name	Kimberly Leenders	1.0	$11,310	$669	$0			$11,979	$0
Name	Sherry Waddle	1.0	$15,657	$4,312	$0			$19,969	$5,553
Name	Irene Goebel	1.0	$9,606	$592	$0			$10,198	$7,677
Name		0.0	$0	$0	$0			$0	$4,759
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$92,457*	*$17,831*	*$0*			*$110,288*	*$41,198*
Superintendent	Mary Lynne Campbell	1.0	$144,164	$18,333	$0	$0	$0	$162,497	$7,792
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Tom Olson	1.0	$142,866	$10,380	$0	$0	$0	$153,246	$5,306
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		505.0	$35,753,268	$4,452,864	$0	$0	$37,672	$40,243,804	
Uncertificated Salaries & Wages		467.0	$11,202,003	$2,877,731	$0	$0	$0	$14,079,734	
TOTALS			**$47,334,758**	**$7,377,139**	**$0**	**$0**	**$37,672**	**$54,749,569**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1070

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

PEACE RIVER SCHOOL DIVISION #10
Legal Name of School Jurisdiction

10018-101 STREET, PEACE RIVER, ALBERTA T8S 2A5
Mailing Address

PHONE: (780)-624-3601 FAX: (780) 624-5941
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules PEACE RIVER SCHOOL DIVISION #10 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
BONNIE PAULOVICH	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
GREG WORONUK	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
M. PETER NEALE	"ORIGINAL SIGNED"
Name	Signature

27-Nov-06
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1070

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Geoffrey Davidge*
Chartered Accountant
200, 6005 Gateway Blvd. • Edmonton, Alberta • T6H 2H3
Tel: (780) 437-2130 • Fax: (780) 433-6377

AUDITOR'S REPORT

To the Board of Trustees of
Peace River School Division No. 10:

We have audited the statement of financial position of the Peace River School Division No. 10 as at August 31, 2006 and the statement of revenues and expenses, the statement of cash flows, the statement of changes in net assets, and the statement of deferred capital allocations for the year then ended. These financial statements are the responsibility of the Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2006 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountants
Edmonton, Alberta
November 2, 2006

**Denotes professional corporation*

School Jurisdiction Code: 1070

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$6,518,245	$6,921,318
Accounts receivable (net after allowances)		$6,356,022	$12,771,007
Prepaid expenses		$70,707	$71,118
Other current assets		$198,393	$211,054
Total current assets		$13,143,368	$19,974,497
School generated assets		$606,546	$570,933
Trust assets		$246,735	$219,587
Long term accounts receivable		$10,863	$20,682
Long term investments		$0	$0
Capital assets			
Land		$1,752,420	$1,939,550
Buildings	$62,991,685		
Less: accumulated amortization	($27,402,637)	$35,589,048	$24,976,682
Equipment	$1,064,024		
Less: accumulated amortization	($785,015)	$279,009	$249,416
Vehicles	$7,472,500		
Less: accumulated amortization	($4,224,633)	$3,247,867	$2,440,994
Total capital assets		$40,868,344	$29,606,642
TOTAL ASSETS		$54,875,855	$50,392,341
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$3,029,286	$1,491,313
Deferred revenue		$1,962,253	$1,977,298
Deferred capital allocations		$1,210,724	$11,648,332
Current portion of all long term debt		$1,080,084	$1,080,084
Total current liabilities		$7,282,346	$16,197,027
School generated liabilities		$606,546	$570,933
Trust liabilities		$246,735	$219,587
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$6,150,496	$7,179,417
	Less: Current portion of supported debt	($1,080,084)	($1,080,084)
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$28,161,978	$16,267,352
Total long term liabilities		$34,085,671	$23,157,205
TOTAL LIABILITIES		$41,368,017	$39,354,232
NET ASSETS			
Unrestricted net assets		$2,323,564	$1,889,892
Operating Reserves		$2,094,005	$570,161
Accumulated Operating Surplus (Deficit)		$4,417,568	$2,460,053
Investment in capital assets		$6,555,871	$6,159,873
Capital Reserves		$2,534,400	$2,418,183
Total Capital Funds		$9,090,270	$8,578,056
Total net assets		$13,507,838	$11,038,109
TOTAL LIABILITIES AND NET ASSETS		$54,875,855	$50,392,341

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1070

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$34,812,601	$31,888,096	$32,103,305
Federal Government and/or First Nations	$254,141	$89,400	$185,436
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$178,924	$178,743	$184,276
Transportation fees	$26,693	$25,000	$20,916
Other sales and services	$550,085	$405,534	$444,766
Investment income	$254,378	$0	$162,531
Gifts and donations	$78,696	$0	$42,145
Rentals of facilities	$79,995	$84,898	$76,371
Net school generated funds	$374,798	$269,400	$269,752
Gains on disposal of capital assets	$1,800	$0	$12,800
Amortization of capital allocations	$2,038,449	$1,560,154	$1,796,649
Total Revenues	$38,650,562	$34,501,225	$35,298,997
EXPENSES			
Certificated salaries	$14,396,150	$13,727,340	$14,018,834
Certificated benefits	$1,448,511	$1,564,675	$1,383,114
Uncertificated salaries and wages	$7,170,933	$6,610,940	$6,870,880
Uncertificated benefits	$990,966	$1,132,100	$989,571
Services, contracts and supplies	$8,104,408	$8,525,980	$7,492,517
Net school generated funds	$374,798	$269,400	$269,752
Capital and debt services			
Amortization of capital assets			
Supported	$2,038,449	$1,560,154	$1,609,847
Unsupported	$554,929	$550,260	$592,472
Total Amortization of capital assets	$2,593,378	$2,110,414	$2,202,319
Interest on capital debt			
Supported	$697,469	$929,998	$811,647
Unsupported	$0	$0	$0
Total Interest on capital debt	$697,469	$929,998	$811,647
Other interest charges	$1,176	$0	$10,396
Losses on disposal of capital assets	$403,045	$2,900	$3,925
Total Expenses	$36,180,832	$34,873,747	$34,052,955
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$2,469,729	($372,522)	$1,246,042
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$2,469,729	($372,522)	$1,246,042

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$2,469,729	$1,246,042
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,038,449)	($1,796,649)
Total amortization expense	$2,593,378	$2,202,319
Gains on disposal of capital assets	($1,800)	($12,800)
Losses on disposal of capital assets	$403,045	$3,925
Changes in accrued accounts:		
Accounts receivable	$6,414,985	($9,936,123)
Prepaids and other current assets	$13,071	$127,822
Long term accounts receivable	$9,819	$15,858
Long term investments	$0	$0
Payables and accrued liabilities	$1,537,973	$317,846
Deferred revenue	($15,045)	$11,555,970
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$11,386,707	$3,724,210
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($12,904,153)	($1,242,348)
Equipment	($166,484)	($185,743)
Vehicles	($1,196,488)	($444,369)
Net proceeds from disposal of capital assets	$10,800	$21,800
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($14,256,325)	($1,850,660)
C. FINANCING ACTIVITIES		
Capital allocations	$2,466,545	$1,152,686
Issue of long term debt	$0	$0
Repayment of long term debt	($1,028,921)	($1,080,084)
Add back: supported portion	$1,028,921	$1,080,084
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,466,545	$1,152,686
Net sources (uses) of cash during year	($403,073)	$3,026,236
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$6,921,318	$3,895,082
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,518,245	$6,921,318

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 1070

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$11,038,109	$6,159,873	$1,889,892	$2,988,344	$348,724	$0		$676,684	$79,678	$498,477	$141,759	$1,243,022	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$11,038,109	$6,159,873	$1,889,892	$2,988,344	$348,724	$0	$0	$676,684	$79,678	$498,477	$141,759	$1,243,022	$0	$0
Excess(def) of revenue over expenses	$2,469,729		$2,469,729											
Board funded capital transactions		$1,362,972	($1,362,972)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,593,378)	$2,593,378											
Amortization of capital allocations		$2,038,449	($2,038,449)											
Disposal of unsupported capital assets	$0	($15,248)	$15,248	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	($396,797)	$396,797	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,846,547)	$1,846,547	$524,472		$1,310,422		$11,653		$0		$0	
Net transfers from operating reserves			$322,703	($322,703)	($227,752)		$0		$0		($94,951)		$0	
Net transfers to capital reserves			($116,217)	$116,217		$0		$43,051		$28,429		$44,737		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$13,507,838	$6,555,871	$2,323,564	$4,628,404	$645,443	$0	$1,310,422	$719,735	$91,331	$526,906	$46,808	$1,287,759	$0	$0

School Jurisdiction Code: 1070

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$66,961	$16,267,352
Prior period adjustment		$11,581,371	
Adjusted balance, August 31, 2005		$11,648,332	$16,267,352
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$2,483,632	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		($17,087)	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$1,028,921
Expended capital allocations - current year		($12,904,153)	$12,904,153
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$2,038,449
Balance at August 31, 2006		$1,210,724	$28,161,978

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* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

PEACE RIVER SCHOOL DIVISION #10

NOTES TO THE FINANCIAL STATEMENTS 2005-2006

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital Assets are recorded at cost and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	15 to 40 Years
Vehicles & Buses	7 to 12 Years
Equipment & Furnishings	5 years
Land Improvements	20 years

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Peace River School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $ 167,987 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) Inventories

Inventories are recorded at the lower of cost or net realizable value.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Investments

Short term Investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	1,309,444	687,079
Alberta Infrastructure	4,167,229	11,364,484
Alberta Finance	382,712	444,529
Other Province of Alberta	5,208	8,818
Federal Government/First Nations	260,814	91329
Alberta Municipalities		36,069
Other Alberta School Jurisdictions		10,785
Other	230,615	174,768
Total	6,356,022	12,771,007

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Alberta Education		
Alberta Finance	382,712	444,529
Other Province of Alberta		
Federal Government	2,129	859
First Nations		
Alberta Municipalities		
Other Alberta School Jurisdictions		
Other Trade Payables and Accrued Liabilities	2,644,445	1,045,925
Total	$ 3,029,286	1,491,313

5. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Program (from AI&T)	158,129	192,936
Infrastructure- Modernizations, Demolitions, Block Mod, Utilization		
Infrastructure Maintenance Renewal (from Learning)	1,284,938	
Alberta Initiative for School Improvement (from Education)	10,922	0
Other	508,264	1,784,361
Total	1,962,253	$ 1,977,298

6. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Deferred Salary Leave Plan		
Scholarship Trusts	246,735	219,587
Student Health Initiative Trust (SHI Banker Board)		
Children and Youth with Complex Needs (Banker Board)		
Total	246,735	219,587

7. LONG TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal
2006-2007	1,080,084
2007-2008	1,080,084
2008-2009	1,080,084
2009-2010	1,080,084
2010-2011	778,997
2011 to maturity	1,051,163
Total	6,150,496

b) Capital Leases – Unsupported
Currently, there is no capital leases held by the jurisdiction.

8. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

10.RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		**Transactions**	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	1,309,444		32,371,633	
Infrastructure & Transportation	4,167,229		1,335,831	
Finance	382,712	382,712	697,469	
Health & Wellness				
Human Resources/Employment				
Other Gov't of Alberta departments	5,208		407,669	
Other:				
Health authorities				
Post-secondary institutions				
Other Alberta school jurisdictions				
Other related parties				
TOTAL 2005-2006	5,864,593	382,712	34,812,602	
TOTAL 2004-2005	12,504,910	444,529	32,103,305	

Contingencies or Contractual Obligations with related parties are under separate disclosure.

11.ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

12.BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 16, 2005. It is presented for information purposes only.

13.COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 1070

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$32,371,633	$23,064,098	$3,401,306	$4,356,785	$1,549,444	$0
(2) **Alberta Infrastructure & Transportation**	$1,335,831	$0	$1,335,831			
(3) **Alberta Finance**	$697,469		$697,469			$0
(4) **Other - Government of Alberta**	$407,669	$407,669	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$254,141	$234,165	$19,977	$0		$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$178,924	$178,924				
(10) **Transportation fees**	$26,693			$26,693		
(11) **Other sales and services**	$550,085	$185,677	$98,074	$28,904	$2,180	$235,249
(12) **Investment income**	$254,378	$123,401	$35,446	$68,105	$27,426	$0
(13) **Gifts and donations**	$78,696	$78,696	$0	$0		$0
(14) **Rentals of facilities**	$79,995	$0	$79,995	$0	$0	$0
(15) **Net school generated funds**	$374,798	$374,798			$0	
(16) **Gains on disposal of capital assets**	$1,800	$0	$600	$1,200	$0	$0
(17) **Amortization of capital allocations**	$2,038,449	$0	$2,038,449	$0		$0
(18) **TOTAL REVENUES**	$38,650,562	$24,647,428	$7,707,147	$4,481,687	$1,579,050	$235,249
EXPENSES						
(19) **Certificated salaries**	$14,396,150	$14,068,813			$327,336	$0
(20) **Certificated benefits**	$1,448,511	$1,423,248			$25,262	$0
(21) **Uncertificated salaries and wages**	$7,170,933	$4,021,720	$783,610	$1,642,868	$630,233	$92,502
(22) **Uncertificated benefits**	$990,966	$513,803	$136,101	$217,970	$105,280	$17,812
(23) **SUB - TOTAL**	$24,006,559	$20,027,585	$919,711	$1,860,838	$1,088,111	$110,314
(24) **Services, contracts & supplies**	$8,104,408	$2,615,778	$2,688,131	$2,221,800	$447,654	$131,045
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$374,798	$374,798				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,038,449		$2,038,449			$0
(28) Unsupported	$554,929	$108,635	$52,965	$366,307	$27,022	$0
(29) Total Amortization	$2,593,378	$108,635	$2,091,414	$366,307	$27,022	$0
Interest on capital debt						
(30) Supported	$697,469	$0	$697,469	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$1,176	$255	$0	$0	$920	$0
(33) Losses on disposal of capital assets	$403,045	$399,355	$0	$0	$3,690	$0
(34) **TOTAL EXPENSES**	$36,180,832	$23,526,406	$6,396,725	$4,448,945	$1,567,398	$241,359
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$2,469,729	$1,121,022	$1,310,422	$32,742	$11,652	($6,110)

School Jurisdiction Code: 1070

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$624,552
Base Instruction (Gr 1-12)	$15,447,547
Outreach Programs	$104,040
Home Education	$13,233
Differential Cost Funding *	$15,026,592
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$28,088
Provincial Priority Targeted Funding	
Class Size Initiative	$586,092
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$368,430
High Speed Networking	$120,337
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	
Other Alberta Education Revenues (describe): Video Conference	$52,723
Total Alberta Education Revenues	$32,371,633

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Govemment and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services

School Jurisdiction Code: 1070

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,313,870	$1,525,103	$1,187,019		$0	$0	$5,025,992
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$787,331	$214,715	$9,233		$0		$1,011,279
ECS Program Unit (PUF)	$166,974	$233,723	$62,963		$0		$463,660
Severe Disabilities (Gr 1-12)	$166,637	$1,382,551	$141,658		$0		$1,690,846
English as a Second Language	$78,390	$20,352	$0		$0		$98,742
French Language Program & Francisation (all jurisdictions)	$34,028	$0	$2,489		$0		$36,517
First Nations, Metis and Inuit Education (ECS - Gr 12)	$113,649	$258,040	$102,551		$0		$474,240
Home Education	$0	$0	$8,908		$0		$8,908
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$274,698	$0	$93,732	$0	$0		$368,431
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$120,337		$0		$120,337
Class Size	$586,092	$0	$0	$0	$0		$586,092
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$10,970,393	$901,038	$774,874	$112,271	$0	$0	$13,641,364
TOTAL EXPENSES	$15,492,061	$4,535,523	$2,503,763	$112,271	$0	$0	$23,526,406

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.6	7.9
ECS Program Unit (PUF)	2.2	4.7
Severe Disabilities (Gr 1-12)	2.4	50.8

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1070

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$36,180,832

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	5.46%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	$1,974,388

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$1,974,388
Less: 2005/2006 Board and System Administration expenses		-$1,567,398
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$406,991

School Jurisdiction Code: 1070

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$570,933
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$1,123,495	$753,672	$369,823	
Student fees (Non-Instructional) (Note 2)	$22,601	$0	$22,601	
Donations and grants to schools	$17,988	$0	$17,988	
Other (describe):	$0	$0	$0	
Net Additions to SGF	$1,164,083	$753,672		$410,411
Net SGF Available for Spending				$981,344
Application of Net School Generated Funds:				
Extra-curricular activities			$209,583	
School site beautification			$0	
Field Trips			$111,917	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe): Grad, Agendas, Newsletters, and Yearbooks			$53,298	
Net SGF Expended (Note 3)				$374,798
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$606,546

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1070

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,488	$615,926	$0	$0	$166,196	$783,610		$783,610
Uncertificated benefits	$8,206	$97,079	$0	$0	$30,816	$136,101		$136,101
Sub-total Remuneration	$9,693	$713,005	$0	$0	$197,013	$919,711		$919,711
Contracted Services	$1,001,317	$374,284		$291,267	$0	$1,666,868		$1,666,868
Supplies	$17,648	$0	$0	$0	$4,767	$22,415		$22,415
Electricity			$381,337			$381,337		$381,337
Natural Gas/Heating Fuel			$413,984			$413,984		$413,984
Sewer and Water			$91,990			$91,990		$91,990
Telecommunications			$6,464			$6,464		$6,464
Insurance					$105,073	$105,073		$105,073
Amortization of capital assets								
Supported							$2,038,449	$2,038,449
Unsupported						$52,965		$52,965
Total Amortization						$52,965	$2,038,449	$2,091,414
Interest on capital debt								
Supported							$697,469	$697,469
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,028,658	$1,087,289	$893,774	$291,267	$306,854	$3,660,807	$2,735,918	$6,396,725
SQUARE METRES								
School Buildings								591,573.0
Non School Buildings								80,539.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1070

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Bonnie Paulovich	1.0	$13,873	$2,162	$0			$16,035	$9,537
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Sherry Crawford	1.0	$8,119	$1,866	$0			$9,985	$2,786
Name	Colin Needham	1.0	$8,114	$205	$0			$8,318	$3,075
Name	Louise Woroniuk	1.0	$12,630	$2,102	$0			$14,732	$6,368
Name	Trudi Keillor	1.0	$14,148	$699	$0			$14,847	$6,958
Name	Nan Bartlett	1.0	$12,794	$2,281	$0			$15,074	$8,817
Name	Judy Cox	1.0	$9,185	$960	$0			$10,146	$6,056
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$78,862*	*$10,275*	*$0*			*$89,137*	*$43,597*
Superintendent	Greg Woronuk	1.0	$130,385	$8,805	$0	$0	$0	$139,190	$14,636
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Bruce Moltzan	1.0	$111,324	$19,314	$0	$0	$0	$130,638	$18,308
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		182.5	$14,265,765	$1,439,706	$0	$0	$0	$15,705,470	
Uncertificated Salaries & Wages		248.6	$6,980,746	$961,377	$0	$0	$0	$7,942,123	
TOTALS			**$21,567,082**	**$2,439,476**	**$0**	**$0**	**$0**	**$24,006,559**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 177

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Peace Wapiti School Division No. 76
Legal Name of School Jurisdiction

8611A - 108 St, Grande Prairie, AB, T8V 4C5
Mailing Address

(780)532-8133 (780)532-4234
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Peace Wapiti School Division No. 76
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mrs. Sonia Ens	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Mr. Don Jenkins	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Leslie J Cage	"ORIGINAL SIGNED"
Name	**Signature**

30-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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FLETCHER
MUDRYK
& CO. LLP
CHARTERED ACCOUNTANTS

400 Windsor Court
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Grande Prairie, Alberta
T8V 5V4

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AUDITORS' REPORT

To the Board of Trustees of **Peace Wapiti School Division No. 76**

We have audited the statement of financial position of **Peace Wapiti School Division No. 76** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These audited financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic audited financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic audited financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic audited financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic audited financial statements taken as a whole.

Grande Prairie, Alberta
October 26, 2006

Fletcher Mudryk & Co.
Chartered Accountants

School Jurisdiction Code: 177

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$8,063,968	$4,839,212
Accounts receivable (net after allowances)		$2,573,045	$3,514,562
Prepaid expenses		$109,646	$90,307
Other current assets		$316,173	$331,387
Total current assets		$11,062,832	$8,775,468
School generated assets		$864,195	$848,619
Trust assets		$100,100	$147,072
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$1,908,250	$1,908,250
Buildings	$68,860,911		
Less: accumulated amortization	($38,829,383)	$30,031,528	$30,508,591
Equipment	$3,842,455		
Less: accumulated amortization	($2,080,837)	$1,761,618	$1,866,137
Vehicles	$11,162,916		
Less: accumulated amortization	($5,653,267)	$5,509,649	$5,841,003
Total capital assets		$39,211,045	$40,123,981
TOTAL ASSETS		$51,238,172	$49,895,140
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$4,382,092	$3,575,108
Deferred revenue		$526,126	$413,949
Deferred capital allocations		$2,264,819	$1,782,558
Current portion of all long term debt		$1,280,015	$1,287,491
Total current liabilities		$8,453,052	$7,059,106
School generated liabilities		$864,195	$848,619
Trust liabilities		$100,100	$147,072
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$8,491,908	$9,779,399
	Less: Current portion of supported debt	($1,280,015)	($1,287,491)
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$19,513,472	$18,541,289
Total long term liabilities		$27,689,660	$28,028,888
TOTAL LIABILITIES		$36,142,712	$35,087,994
NET ASSETS			
Unrestricted net assets		$75,663	$75,221
Operating Reserves		$2,267,706	$2,098,096
Accumulated Operating Surplus (Deficit)		$2,343,369	$2,173,317
Investment in capital assets		$11,205,664	$11,803,290
Capital Reserves		$1,546,427	$830,539
Total Capital Funds		$12,752,091	$12,633,829
Total net assets		$15,095,460	$14,807,146
TOTAL LIABILITIES AND NET ASSETS		$51,238,172	$49,895,140

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 177

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$49,581,391	$47,227,942	$46,721,730
Federal Government and/or First Nations	$1,174,122	$1,204,640	$947,548
Other Alberta school authorities	$156,929	$183,180	$275,769
Out of province authorities	$234,743	$242,000	$223,769
Alberta Municipalities (excluding supplementary requisitions)	$66,857	$66,850	$66,857
Instruction resource fees	$493,230	$386,250	$455,873
Transportation fees	$0	$0	$0
Other sales and services	$577,842	$270,700	$374,215
Investment income	$239,458	$209,700	$228,896
Gifts and donations	$209,700	$35,000	$57,277
Rentals of facilities	$149,197	$200,000	$191,263
Net school generated funds	$1,319,680	$900,000	$1,184,117
Gains on disposal of capital assets	$118,262	$77,000	$207,520
Amortization of capital allocations	$1,468,040	$1,470,000	$1,391,637
Total Revenues	$55,789,451	$52,473,262	$52,326,471
EXPENSES			
Certificated salaries	$25,267,942	$24,768,261	$24,256,215
Certificated benefits	$2,679,434	$2,846,350	$2,675,715
Uncertificated salaries and wages	$9,209,488	$8,944,444	$8,653,769
Uncertificated benefits	$1,923,106	$1,943,763	$1,875,293
Services, contracts and supplies	$11,286,547	$10,111,092	$10,165,900
Net school generated funds	$1,319,680	$900,000	$1,184,117
Capital and debt services			
Amortization of capital assets			
Supported	$1,468,040	$1,475,000	$1,396,779
Unsupported	$1,415,065	$1,411,270	$1,492,666
Total Amortization of capital assets	$2,883,105	$2,886,270	$2,889,445
Interest on capital debt			
Supported	$924,361	$850,000	$1,056,891
Unsupported	$0	$0	$0
Total Interest on capital debt	$924,361	$850,000	$1,056,891
Other interest charges	$7,474	$7,500	$3,223
Losses on disposal of capital assets	$0	$0	$66,350
Total Expenses	$55,501,137	$53,257,680	$52,826,918
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$288,314	($784,418)	($500,447)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$288,314	($784,418)	($500,447)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 177

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$288,314	($500,447)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,468,040)	($1,391,637)
Total amortization expense	$2,883,105	$2,889,445
Gains on disposal of capital assets	($118,262)	($207,520)
Losses on disposal of capital assets	$0	$66,350
Changes in accrued accounts:		
Accounts receivable	$941,517	($863,355)
Prepaids and other current assets	($4,125)	$165,804
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$806,984	($1,378,208)
Deferred revenue	$112,177	$26,631
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$3,441,670	($1,192,937)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,169,263)	($826,524)
Equipment	($113,003)	($646,132)
Vehicles	($704,437)	($74,647)
Net proceeds from disposal of capital assets	$118,262	$207,520
Other (describe)	$0	
Total sources (uses) of cash from Investing activities	($1,868,441)	($1,339,783)
C. FINANCING ACTIVITIES		
Capital allocations	$1,651,527	$2,771,649
Issue of long term debt	$0	$0
Repayment of long term debt	($1,287,491)	($1,287,491)
Add back: supported portion	$1,287,491	$1,287,490
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$1,651,527	$2,771,648
Net sources (uses) of cash during year	$3,224,756	$238,928
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,839,212	$4,600,284
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$8,063,968	$4,839,212

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

School Jurisdiction 177

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$14,807,146	$11,803,290	$75,221	$2,928,635	$1,957,518	$96,494	($35,403)	$265,235	$127,485	($162,691)	$48,496	$631,501	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$14,807,146	$11,803,290	$75,221	$2,928,635	$1,957,518	$96,494	($35,403)	$265,235	$127,485	($162,691)	$48,496	$631,501	$0	$0
Excess(def) of revenue over expenses	$288,314		$288,314											
Board funded capital transactions		$817,439	$0	($817,439)	$0	($101,628)	$0	($159,488)	$0	($31,765)	$0	($524,558)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,883,105)	$2,883,105											
Amortization of capital allocations		$1,468,040	($1,468,040)											
Disposal of unsupported capital assets	$0		($118,262)	$118,262		$0		$10,000		$0		$108,262		$0
Disposal of supported capital assets (board funded portion)	$0	$0		$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($1,595,545)	$1,595,545	$827,201		$702,434		$0		$65,910		$0	
Net transfers from operating reserves			$1,425,935	($1,425,935)	($1,374,029)		$0		$0		($51,906)		$0	
Net transfers to capital reserves			($1,415,065)	$1,415,065		$131,685		$26,152		$206,047		$1,051,181		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$15,095,460	$11,205,664	$75,663	$3,814,133	$1,410,690	$126,551	$667,031	$141,899	$127,485	$11,591	$62,500	$1,266,386	$0	$0

School Jurisdiction Code: 177

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$1,782,558	$18,541,289
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$1,782,558	$18,541,289
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$1,653,100	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$18,675	
Interest earned on provincial government capital allocations	$12,019	
Other capital grants and donations	($32,267)	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$1,287,491
Expended capital allocations - current year	($1,169,266)	$1,169,266
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$16,534
Capital allocations amortized to revenue		$1,468,040
Balance at August 31, 2006	$2,264,819	$19,513,472

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

The school jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The school jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories are recorded at the lower of cost and net realizable value.

Capital assets

Capital assets are recorded at cost and are amortized over their useful lives on a straight-line basis at the following rates:

Buildings	2.5% to 4%
Vehicles and buses	9% to 12.5%
Equipment and furnishings	20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense. No amortization is recorded in the year of acquisition.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income.

Investments

Temporary investments are valued at the lower of cost or market. Long-term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue recognition - continued

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations, which are then amortized to revenue on the same basis as the amortization of the capital asset acquired.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

School generated funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Contributed services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Peace Wapiti School Division No. 76 does not make pension contributions for certificated staff.

The school jurisdiction participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $252,630 (2005 - $226,931) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the school jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

Employee future benefits

The school jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2006, the recorded obligation is $772,626 (2005 – $664,775).

Financial instruments

These consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the school jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The school jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Measurement uncertainty

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized above.

3. CASH AND TEMPORARY INVESTMENTS

	2006	2005
Cash	$ 6,646,280	$ 2,298,077
Temporary investments	1,417,688	2,541,135
	$ 8,063,968	$ 4,839,212

Cash in banks bears interest at a rate of prime minus 1.8%.

Temporary investments are readily convertible to cash, consist of fixed income investments, bear interest at rates between 5.50% and 5.85% and mature between October, 2006 and June, 2007.

4. ACCOUNTS RECEIVABLE

	2006	2005
Province of Alberta	$ 1,860,107	$ 2,910,919
Federal Government and/or First Nations	206,873	125,582
Other (net after allowance)	506,065	478,061
	$ 2,573,045	$ 3,514,562

5. LINE OF CREDIT

The school jurisdiction has negotiated a line of credit in the amount of $4,500,000 that bears interest at the bank prime rate minus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the school jurisdiction. There was no balance outstanding on the line of credit as at August 31, 2006.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Province of Alberta	$ 551,603	$ 632,899
Federal Government and/or First Nations	579,685	518,991
Other trade payables and accrued liabilities	3,250,804	2,423,218
	$ 4,382,092	$ 3,575,108

7. DEFERRED REVENUE

	2006	2005
Alberta Infrastructure	$ 304,581	$ 203,341
Alberta Education	192,789	196,060
Other	28,756	14,548
	$ 526,126	$ 413,949

8. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the school jurisdiction.

	2006	2005
Scholarship trusts	$ 27,228	$ 27,185
Other	72,872	119,887
	$ 100,100	$ 147,072

9. LONG-TERM DEBT

(a) Debenture Debt - Supported

	2006	2005
Debentures	$ 8,491,908	$ 9,779,399
Less current portion	1,280,015	1,287,491
	$ 7,211,893	$ 8,491,908

The debenture debt bears interest at rates varying between 9.5% and 12.0%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years are as follows:

	Principal	Interest	Total
2007	$ 1,280,015	$ 870,944	$ 2,150,959
2008	$ 1,274,682	$ 737,017	$ 2,011,699
2009	$ 1,161,941	$ 603,603	$ 1,765,543
2010	$ 1,068,310	$ 483,367	$ 1,551,677
2011	$ 1,018,392	$ 374,303	$ 1,392,695

(b) Capital Leases – Unsupported

There are currently no capital leases held by the school jurisdiction.

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the school jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully supported debenture principal repayments.

12. CONTINGENCIES

Contingent asset

The school jurisdiction is a member of a reciprocal insurance exchange called the Alberta School Board Insurance Exchange (ASBIE). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

Contingent liability

Under the terms of membership of ASBIE, the school jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

13. ECONOMIC DEPENDENCE ON THIRD PARTY

The school jurisdiction's primary source of income is from the Alberta Government. The school jurisdiction's ability to continue viable operations is dependent on this funding.

14. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 16, 2005. It is presented for information purposes only.

15. COMMITMENTS

(a) Personnel contracts

The school jurisdiction has entered into personnel contracts with its executive management team. In the event that these contracts are cancelled or not renewed by the Board, there could be a liability incurred as per the termination clauses in the executive contracts.

(b) Building contracts

The school jurisdiction is committed to further capital expenditures for various capital projects of $12,419,968 (2005 – $1,210,028). It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure and Transportation.

17. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are not related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

During the year, the School Division had the following transactions and balances with related parties:

2005 – 2006	Balances		Transactions	
	Assets (at cost or net realizable value)	**Liabilities (at fair value)**	**Revenues**	**Expenses**
Government of Alberta:				
Education	$ 90,946	$ -	$ 48,358,523	$ -
Infrastructure and transport	1,218,048	-	4,200	-
Finance	551,603	551,603	924,361	-
Other departments	-	-	294,306	924,361
Other:				
Post-secondary institutions	28,178	-	50,000	-
Alberta school jurisdictions	89,495	210,088	156,929	-
TOTAL 2005 – 2006	$ 1,978,270	$ 761,691	$ 49,788,319	$ 924,361

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

SCHEDULE A to the AFS

School Jurisdiction Cod 177

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$48,358,523	$37,546,326	$5,177,617	$5,417,839	$3,655	$213,086
(2) **Alberta Infrastructure & Transportation**	$4,200	$0	$4,200			
(3) **Alberta Finance**	$924,361		$924,361			$0
(4) **Other - Government of Alberta**	$294,307	$56,322	$128,631	$104,545	$0	$4,809
(5) **Federal Government and/or First Nations**	$1,174,122	$1,059,309	$95,395	$0	$0	$19,418
(6) **Other Alberta school authorities**	$156,929	$48,756	$0	$0	$0	$108,173
(7) **Out of province authorities**	$234,743	$165,468	$0	$69,275	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$66,857	$66,857	$0	$0	$0	$0
(9) **Instruction resource fees**	$493,230	$493,230				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$577,842	$379,826	$142,079	$27,017	$28,920	$0
(12) **Investment income**	$239,458	$233,452	$3,200	$205	$2,601	$0
(13) **Gifts and donations**	$209,700	$112,300	$0	$0		$97,400
(14) **Rentals of facilities**	$149,197	$0	$500	$104,893	$2,763	$41,041
(15) **Net school generated funds**	$1,319,680	$1,319,680			$0	
(16) **Gains on disposal of capital assets**	$118,262	$0	$10,000	$108,262	$0	$0
(17) **Amortization of capital allocations**	$1,468,040	$0	$1,468,040	$0		$0
(18) **TOTAL REVENUES**	$55,789,451	$41,481,526	$7,954,023	$5,832,036	$37,939	$483,927
EXPENSES						
(19) **Certificated salaries**	$25,267,942	$25,014,008			$251,434	$2,500
(20) **Certificated benefits**	$2,679,434	$2,660,454			$19,063	($83)
(21) **Uncertificated salaries and wages**	$9,209,488	$4,602,510	$831,314	$2,986,392	$789,272	$0
(22) **Uncertificated benefits**	$1,923,106	$917,133	$150,349	$679,335	$176,289	$0
(23) **SUB - TOTAL**	$39,079,970	$33,194,105	$981,663	$3,665,727	$1,236,058	$2,417
(24) **Services, contracts & supplies**	$11,353,217	$4,326,156	$4,086,223	$1,789,478	$577,497	$573,863
(25) **Cost recoveries between programs**	($66,670)	$413,154	($234,849)	($189,696)	$135,152	($190,431)
(26) **Net school generated funds**	$1,319,680	$1,319,680				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,468,040	$0	$1,468,040	$0	$0	$0
(28) Unsupported	$1,415,065	$131,697	$26,152	$1,051,169	$110,152	$95,895
(29) Total Amortization	$2,883,105	$131,697	$1,494,192	$1,051,169	$110,152	$95,895
Interest on capital debt						
(30) Supported	$924,361	$0	$924,361	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$7,474	$6	$0	$0	$5,285	$2,183
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$55,501,137	$39,384,798	$7,251,590	$6,316,678	$2,064,144	$483,927
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$288,314	$2,096,728	$702,433	($484,642)	($2,026,205)	$0

School Jurisdiction Code: 177

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$854,784
Base Instruction (Gr 1-12)	$26,141,356
Outreach Programs	$52,020
Home Education	$159,667
Differential Cost Funding *	$13,458,910
Other Provincial Support	
Institutional Programs	$156,570
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$35,151
Provincial Priority Targeted Funding	
Class Size Initiative	$954,782
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$683,938
High Speed Networking	$163,134
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$584,670
Other Alberta Education Revenues (describe):	$5,113,541
Total Alberta Education Revenues	$48,358,523

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilities/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 177

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,765,648	$1,743,285	$314,656		$26,245	$6	$4,849,840
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$1,218,505	$327,296	$73,083		$0		$1,618,884
ECS Program Unit (PUF)	$86	$241,106	$130,616		$0		$371,808
Severe Disabilities (Gr 1-12)	$81,673	$1,834,352	$135,085		$2,789		$2,053,899
English as a Second Language	$0	$86,900	$0		$0		$86,900
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$8,327	$169,360	$27,111		$157		$204,955
Home Education	$92,637	$59,792	$59,016		$6,538		$217,983
Institutional Programs	$127,665	$21,634	$15,085		$113		$164,497
Alberta Initiative for School Improvement	$763,757	$0	$8,958	$2,863	$45		$775,623
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$272,668		$21,784		$294,452
Class Size	$0	$0	$0	$0	$0		$0
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$22,616,164	$1,035,918	$1,722,045	$1,564,970	$355,483	$1,451,377	$28,745,957
TOTAL EXPENSES	$27,674,462	$5,519,643	$2,758,323	$1,567,833	$413,154	$1,451,383	$39,384,798

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	14.6	12.8
ECS Program Unit (PUF)	0.0	9.4
Severe Disabilities (Gr 1-12)	1.0	71.4

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 177

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$55,501,137**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.13%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,292,197
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,292,197**
Less: 2005/2006 Board and System Administration expenses		-$2,064,144
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$228,053

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$848,619
Source of Net School Generated Funds:				
Fundraising activities	$1,383,349	$648,806	$734,543	
Student fees (Non-Instructional) (Note 2)	$477,324	$0	$477,324	
Donations and grants to schools	$92,966	$0	$92,966	
Other (describe):	$30,423	$0	$30,423	
Net Additions to SGF	$1,984,062	$648,806		$1,335,256
Net SGF Available for Spending				$2,183,875
Application of Net School Generated Funds:				
Extra-curricular activities			$0	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$1,319,680	
Net SGF Expended (Note 3)				$1,319,680
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$864,195

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 177

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$163,547	$384,523	$0	$86,103	$197,141	$831,314		$831,314
Uncertificated benefits	$39,184	$68,729	$0	$14,081	$28,355	$150,349		$150,349
Sub-total Remuneration	$202,731	$453,252	$0	$100,184	$225,496	$981,663		$981,663
Contracted Services	$1,148,457	$630,316	$952	$569,160	$22,652	$2,371,537		$2,371,537
Supplies	$97,264	$258,371	$0	$19,710	$12,669	$388,014		$388,014
Electricity			$557,162			$557,162		$557,162
Natural Gas/Heating Fuel			$526,329			$526,329		$526,329
Sewer and Water			$87,816			$87,816		$87,816
Telecommunications			$10,025			$10,025		$10,025
Insurance					$145,340	$145,340		$145,340
Amortization of capital assets								
Supported							$1,468,040	$1,468,040
Unsupported						$26,152		$26,152
Total Amortization						$26,152	$1,468,040	$1,494,192
Interest on capital debt								
Supported							$924,361	$924,361
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($234,849)		($234,849)
TOTAL EXPENSES	$1,448,452	$1,341,939	$1,182,284	$689,054	$406,157	$4,859,189	$2,392,401	$7,251,590
SQUARE METRES								
School Buildings								75,033.0
Non School Buildings								8,088.6

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 177

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-2006
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Sonia Ens	1.0	$18,757	$5,527	$0			$24,284	$9,381
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Lynne Phillips	1.0	$18,105	$4,489	$0			$22,594	$12,496
Name	Tammy Day	1.0	$15,333	$4,683	$0			$20,016	$8,042
Name	Olive Emerson	1.0	$14,636	$5,702	$0			$20,338	$9,923
Name	Dana Mc Intosh	1.0	$18,242	$5,517	$0			$23,759	$9,717
Name	Wendy Olson-Lepchuk	1.0	$16,907	$5,368	$0			$22,275	$12,308
Name	Sherry Peterson	1.0	$10,255	$5,585	$0			$15,840	$4,181
Name	Christine Schlief	1.0	$11,979	$4,824	$0			$16,803	$2,928
Name	James Sherman	1.0	$12,439	$3,921	$0			$16,360	$7,707
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*9.0*	*$136,653*	*$45,616*	*$0*			*$182,269*	*$76,683*
Superintendent	Dr Darwin Eckstrom	1.0	$150,868	$10,729	$0	$0	$126,308	$287,905	$11,423
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	JoAnn Vanstone	1.0	$52,143	$13,174	$0	$0	$0	$65,317	$10,529
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer	Leslie Cage	1.0	$88,864	$17,301	$0	$0	$0	$106,165	$6,996
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		323.4	$25,117,074	$2,668,705	$0	$0	$0	$27,785,779	
Uncertificated Salaries & Wages		360.6	$8,931,828	$1,847,015	$0	$0	$0	$10,778,843	
TOTALS			**$34,477,430**	**$4,602,540**	**$0**	**$0**	**$126,308**	**$39,206,278**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1175

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

PEMBINA HILLS REGIONAL DIVISION NO. 7
Legal Name of School Jurisdiction

5310 49 Street Barrhead, AB T7N 1P3
Mailing Address

Telephone: (780)674-8500 Fax: (780)674-3262
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules PEMBINA HILLS REGIONAL DIVISION NO. 7 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Clayton Jespersen	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
Richard Harvey	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
Tracy J. Meunier, CGA	"ORIGINAL SIGNED"
Name	Signature

November 8, 2006
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1175

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Clews & Shoemaker
CHARTERED ACCOUNTANTS
Graham Rex Clews Professional Corporation ◆ John S. Shoemaker Professional Corporation

AUDITOR'S REPORT

To the Board of Trustees of the Pembina Hills Regional Division No. 7:

We have audited the statement of financial position of Pembina Hills Regional Division No. 7 as at August 31, 2006, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Pembina Hills Regional Division No. 7 as at August 31, 2006, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clews & Shoemaker

Westlock, Alberta
October 20, 2006

CHARTERED ACCOUNTANTS

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Telephone: (780) 349-3355 ◆ Edm. Direct: (780) 421-4796 ◆ Fax: (780) 349-6550 ◆ E-mail: clewsshoemaker@csca.cc

School Jurisdiction Code: 1175

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$5,942,964	$4,583,726
Accounts receivable (net after allowances)		$936,125	$1,555,566
Prepaid expenses		$146,828	$58,542
Other current assets		$314,865	$331,918
Total current assets		$7,340,782	$6,529,752
School generated assets		$434,863	$392,269
Trust assets		$71,017	$93,080
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$512,834	$512,834
Buildings	$37,883,890		
Less: accumulated amortization	($23,133,818)	$14,750,072	$15,118,958
Equipment	$119,611		
Less: accumulated amortization	($103,649)	$15,962	$31,926
Vehicles	$6,109,369		
Less: accumulated amortization	($3,772,268)	$2,337,101	$2,263,324
Total capital assets		$17,615,969	$17,927,042
TOTAL ASSETS		$25,462,631	$24,942,143
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,153,295	$1,273,584
Deferred revenue		$599,014	$439,055
Deferred capital allocations		($100,504)	$0
Current portion of all long term debt		$894,010	$927,494
Total current liabilities		$2,545,815	$2,640,133
School generated liabilities		$434,863	$392,269
Trust liabilities		$71,017	$93,080
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$5,616,508	$6,517,699
Less: Current portion of supported debt		($894,010)	($927,494)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$8,492,366	$7,926,869
Total long term liabilities		$13,720,744	$14,002,423
TOTAL LIABILITIES		$16,266,559	$16,642,556
NET ASSETS			
Unrestricted net assets		$903,069	$903,069
Operating Reserves		$3,282,245	$2,682,902
Accumulated Operating Surplus (Deficit)		$4,185,314	$3,585,971
Investment in capital assets		$3,507,095	$3,482,474
Capital Reserves		$1,503,663	$1,231,142
Total Capital Funds		$5,010,758	$4,713,616
Total net assets		$9,196,072	$8,299,587
TOTAL LIABILITIES AND NET ASSETS		$25,462,631	$24,942,143

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$40,337,526	$39,310,544	$39,326,806
Federal Government and/or First Nations	$56,550	$31,410	$42,055
Other Alberta school authorities	$0	$0	$10,062
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$24,210	$24,000	$20,910
Instruction resource fees	$293,864	$169,787	$269,265
Transportation fees	$92,890	$115,922	$99,334
Other sales and services	$673,008	$748,778	$792,710
Investment income	$443,258	$158,730	$157,602
Gifts and donations	$19,634	$0	$0
Rentals of facilities	$30,829	$9,500	$45,856
Net school generated funds	$230,761	$741,829	$417,347
Gains on disposal of capital assets	$245,315	$6,000	$59,142
Amortization of capital allocations	$880,198	$882,617	$889,695
Total Revenues	$43,328,043	$42,199,117	$42,130,784
EXPENSES			
Certificated salaries	$18,382,506	$18,862,954	$17,790,412
Certificated benefits	$2,278,401	$2,322,379	$2,470,889
Uncertificated salaries and wages	$7,910,090	$7,568,684	$7,416,889
Uncertificated benefits	$1,639,176	$1,588,563	$1,500,288
Services, contracts and supplies	$9,656,708	$8,334,165	$9,674,509
Net school generated funds	$230,761	$741,829	$417,347
Capital and debt services			
Amortization of capital assets			
Supported	$880,198	$882,617	$889,695
Unsupported	$433,886	$453,255	$432,971
Total Amortization of capital assets	$1,314,084	$1,335,872	$1,322,666
Interest on capital debt			
Supported	$1,019,832	$1,344,511	$1,179,109
Unsupported	$0	$0	$0
Total Interest on capital debt	$1,019,832	$1,344,511	$1,179,109
Other interest charges	$0	$9,026	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$42,431,558	$42,107,983	$41,772,109
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$896,485	$91,134	$358,675
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$896,485	$91,134	$358,675

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$896,485	$358,675
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($880,198)	($889,695)
Total amortization expense	$1,314,084	$1,322,666
Gains on disposal of capital assets	($245,315)	($59,142)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$619,441	$525,544
Prepaids and other current assets	($71,233)	$69,924
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($120,289)	($1,179,989)
Deferred revenue	$159,959	$231,933
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,672,934	$379,916
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($544,504)	($68,667)
Equipment	$0	$0
Vehicles	($458,508)	($668,497)
Net proceeds from disposal of capital assets	$245,316	$106,000
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($757,696)	($631,164)
C. FINANCING ACTIVITIES		
Capital allocations	$444,000	$0
Issue of long term debt	$0	$0
Repayment of long term debt	($901,191)	($927,494)
Add back: supported portion	$901,191	$927,494
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$444,000	$0
Net sources (uses) of cash during year	$1,359,238	($251,248)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,583,726	$4,834,974
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$5,942,964	$4,583,726

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 1175

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$8,299,587	$3,482,474	$903,069	$3,914,044	$2,547,106	$0	($80,737)	$209,493	$56,905	$244,596	$109,349	$777,053	$50,279	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$8,299,587	$3,482,474	$903,069	$3,914,044	$2,547,106	$0	($80,737)	$209,493	$56,905	$244,596	$109,349	$777,053	$50,279	$0
Excess(def) of revenue over expenses	$896,485		$896,485											
Board funded capital transactions		$458,507	$0	($458,507)	$0	$0	$0	($56,331)	$0	$0	$0	($402,176)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,314,084)	$1,314,084											
Amortization of capital allocations		$880,198	($880,198)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($926,204)	$926,204	$249,408		$321,598		$207,676		$147,522		$0	
Net transfers from operating reserves			$326,861	($326,861)	$0		($79,598)		($122,733)		($120,000)		($4,530)	
Net transfers to capital reserves			($731,028)	$731,028		$0		$114,592		$0		$616,436		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$9,196,072	$3,507,095	$903,069	$4,785,908	$2,796,514	$0	$161,263	$267,754	$141,848	$244,596	$136,871	$991,313	$45,749	$0

School Jurisdiction Code: 1175

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$7,926,869
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$7,926,869
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$444,000	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$901,191
Expended capital allocations - current year	($544,504)	$544,504
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$880,198
Balance at August 31, 2006	($100,504)	$8,492,366

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* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

PEMBINA HILLS REGIONAL DIVISION NO. 7

Notes to the Financial Statements
For the Year Ended August 31, 2006

1. AUTHORITY AND PURPOSE

Pembina Hills Regional Division No. 7 delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. Pembina Hills Regional Division No. 7 is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds are recognized as direct increase in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5% to 4%
Equipment & Furnishings	10% to 20%
Vehicles & Buses	10% to 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit. Accumulated sick leave is not recorded as it is not paid to the employee if not taken.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Pembina Hills Regional Division No. 7 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $176,816 for the Year ended August 31, 2006. (2005 = $166,825). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) Inventories

Inventories are recorded at the lesser of cost and estimated net realizable value.

g) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into the prepaid expense category.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools within Pembina Hills Regional Division No. 7 to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of Pembina Hills Regional Division No. 7, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the jurisdiction at this time.

l) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$161,649	$620,337
Alberta Infrastructure and Transportation	40,308	34,160
Alberta Finance	320,465	378,045
Other Province of Alberta	7,800	7,772
Federal Government	109,191	78,887
Alberta Municipalities	10,367	8,135
Other Alberta School Jurisdictions	0	0
Due from Alberta Distance Learning Centre	0	115,500
Other	286,345	312,730
Total	**$936,125**	**$1,555,566**

4. OTHER CURRENT ASSETS

	2006	2005
Patronage Reserves	$10,138	$10,409
Inventories:		
Cafeteria food and supplies	695	1,347
Bus garages parts and tires	236,189	248,961
Maintenance shops supplies	67,843	71,201
Total	**$314,865**	**$331,918**

5. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $2,000,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Alberta Education	$22,527	$40,364
Alberta Infrastructure and Transportation	0	0
Alberta Finance	320,465	378,045
Province of Alberta	0	0
Federal Government	3,634	4,199
Alberta Municipalities	0	0
Due to Alberta Distance Learning Centre	5,661	0
Other Trade Payables and Accrued Liabilities	801,008	850,976
Total	**$1,153,295**	**$1,273,584**

7. DEFERRED REVENUE

	2006	2005
Federal Government - Meadowview CAP Program	9,583	17,810
Alberta Initiative for School Improvement	0	11,999
Class Size Initiative	262,357	45,253
2004/05 Special Funding - Textbooks and Other Classroom Resources	0	87,144
2005 Infrastructure Maintenance Program	0	162,496
Aspen Student Health Initiative Partnership	0	30,000
Alta. Education - Anti Spam Grant	95,638	0
Alta. Education - Video Conf. Grant	140,676	0
Other	90,760	84,353
Total	**$599,014**	**$439,055**

8. OTHER REVENUE FROM ALBERTA EDUCATION

	2006	2005
Microsoft License Rebate	$0	$5,095
2004/05 Special Funding - Video-Conferencing Equipment	0	60,000
Special Funding - Textbooks and Other Classroom Resources	87,144	42,856
2005/06 Special Funding - Smithsonian Institute	5,000	0
2005/06 Special Funding - Anti Spam Grant	39,362	0
2005/06 Special Funding - Video Conf. Grant	9,323	0
Total	**$140,829**	**$107,951**

9. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	2006	2005
Deferred Salary Leave	$0	$15,219
Endowment funds for scholarships	71,017	77,861
	$71,017	**$93,080**

10. LONG-TERM DEBT

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	894,010	600,586	1,494,596
2007-2008	853,991	502,594	1,356,585
2008-2009	817,249	408,730	1,225,979
2009-2010	644,001	319,099	963,100
2010-2011	551,095	249,867	800,962
2011 to maturity	1,856,162	535,635	2,391,797
	$5,616,508	**$2,616,511**	**$8,233,019**

11. ALBERTA DISTANCE LEARNING CENTRE - MANAGEMENT SERVICES FEE

Effective June 2, 1997, Pembina Hills Regional Division No. 7 assumed responsibility for the operation of the Alberta Distance Learning Centre from the Department of Education. The Board and System Administration of Pembina Hills charge their subsidiary, ADLC, a management services fee to provide them with Board and System Administration services. The fee is calculated using the maximum expense limit percentage for Board and System Administration for its community schools, multiplied by ADLC's revenue. The fee is netted out of Pembina Hills Board and System Administration expenses. For the year ended August 31, 2006, the management services fee amounted to $435,628, broken down as follows:

11. ADLC - MANAGEMENT SERVICES FEE (cont.)

	2006	2005
Board governance fees	$25,700	$25,000
Benefits - board governance	6,200	6,000
Certificated salaries	138,000	129,000
Uncertificated salaries	146,000	137,000
Benefits - system administration	52,000	42,000
Services, contracts and supplies	67,728	65,127
	$435,628	**$404,127**

12. VISTA VIRTUAL SCHOOL

Pembina Hills Regional Division No. 7 operates a virtual school, known as the Vista Virtual School, under the authority of the School Act and contracts its subsidiary, the Alberta Distance Learning Centre, to provide the educational services for students registered. Pembina Hills records the funding received from the virtual school and includes the student count in their jurisdiction count. The amount of funding transferred to ADLC is recorded as an expense to Pembina Hills. ADLC nets the amount transferred from Pembina Hills for the virtual school against their expenses.

For 2005/06 there were 1,151 funded students registered with Vista Virtual School (2004/05-1,238). Many of the Vista Virtual students are in grades 11 and 12, returning to high school and taking only one (1) to two (2) courses each.

The total amount of funding transferred to ADLC for the educational services of Vista Virtual students is as follows:

	2006	2005
Certificated Salaries, Student Instruction	$722,665	$819,818
Certificated Benefits, Student Instruction	95,647	93,161
Contracts, Services & Supplies, Student Instruction	860,821	488,165
Cert. Salaries, School Admin. & Instruction Support	318,823	335,380
Cert. Benefits, School Admin. & Instruction Support	48,886	37,264
Uncert. Salaries, School Admin. & Instruction Support	63,765	74,529
Uncert Benefits, School Admin. & Instruction Support	14,878	14,906
	$2,125,485	**$1,863,223**

13. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized captial allocations.

14. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized captial allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

15. COMMITMENTS

Building Projects: The jurisdiction is committed to further capital expenditures for the replacement school for Eleanor Hall School at Clyde, Alberta. The approved budget for the replacement school is $8,696,938. It is anticipated that these costs will be fully funding by the capital allocations from Alberta Education.

16. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Pembina Hills Regional Division No. 7's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

18. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 8, 2005. It is presented for information purposes only.

19. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 1175

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$39,041,626	$29,435,791	$3,656,518	$4,409,975	$1,539,342	$0
(2) **Alberta Infrastructure & Transportation**	$202,804	$0	$202,804			
(3) **Alberta Finance**	$1,019,832		$1,019,832			$0
(4) **Other - Government of Alberta**	$73,264	$0	$0	$0	$0	$73,264
(5) **Federal Government and/or First Nations**	$56,550	$56,550	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$24,210	$24,210	$0	$0	$0	$0
(9) **Instruction resource fees**	$293,864	$293,864				
(10) **Transportation fees**	$92,890			$92,890		
(11) **Other sales and services**	$673,008	$319,441	$1,659	$92,090	$185	$259,633
(12) **Investment income**	$443,258	$248,547	$59,186	$918	$134,607	$0
(13) **Gifts and donations**	$19,634	$19,634	$0	$0		$0
(14) **Rentals of facilities**	$30,829	$2,362	$28,467	$0	$0	$0
(15) **Net school generated funds**	$230,761	$230,761			$0	
(16) **Gains on disposal of capital assets**	$245,315	$0	$212,400	$32,915	$0	$0
(17) **Amortization of capital allocations**	$880,198	$0	$880,198	$0		$0
(18) **TOTAL REVENUES**	$43,328,043	$30,631,160	$6,061,064	$4,628,788	$1,674,134	$332,897
EXPENSES						
(19) **Certificated salaries**	$18,382,506	$18,211,507			$170,999	$0
(20) **Certificated benefits**	$2,278,401	$2,237,893			$40,508	$0
(21) **Uncertificated salaries and wages**	$7,910,090	$4,939,663	$563,105	$1,690,464	$596,151	$118,707
(22) **Uncertificated benefits**	$1,639,176	$916,140	$124,455	$459,987	$111,679	$26,915
(23) **SUB - TOTAL**	$30,210,173	$26,305,203	$687,560	$2,150,451	$921,337	$145,622
(24) **Services, contracts & supplies**	$9,656,709	$3,722,647	$3,116,882	$2,046,623	$545,122	$225,435
(25) **Cost recoveries between programs**	($1)	$119,744	$0	($86,115)	$0	($33,630)
(26) **Net school generated funds**	$230,761	$230,761				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$880,198	$0	$880,198	$0	$0	$0
(28) Unsupported	$433,886	$3,395	$38,572	$373,886	$18,033	$0
(29) Total Amortization	$1,314,084	$3,395	$918,770	$373,886	$18,033	$0
Interest on capital debt						
(30) Supported	$1,019,832	$0	$1,019,832	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$42,431,558	$30,381,750	$5,743,044	$4,484,845	$1,484,492	$337,427
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$896,485	$249,410	$318,020	$143,943	$189,642	($4,530)

School Jurisdiction Code: 1175

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$763,200
Base Instruction (Gr 1-12)	$21,900,004
Outreach Programs	$104,040
Home Education	$6,360
Differential Cost Funding *	$13,735,397
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$47,492
Provincial Priority Targeted Funding	
Class Size Initiative	$807,654
Student Health Initiative (SHI)	$281,012
Alberta Initiative for School Improvement (AISI)	$763,937
High Speed Networking	$144,492
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$347,209
Other Alberta Education Revenues (describe): Classrm. Resource Funding ($87,144) & Alta. Ed. Specific Grants ($53,685)	$140,829
Total Alberta Education Revenues	$39,041,626

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1175

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$967,951	$1,682,573	$1,037,980		$33,630	$0	$3,722,134
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$840,430	$492,144	$12,279		$0		$1,344,853
ECS Program Unit (PUF)	$108,690	$660,544	$207,992		$0		$977,226
Severe Disabilities (Gr 1-12)	$412,137	$2,154,015	$142,018		$0		$2,708,170
English as a Second Language	$0	$63,495	$0		$0		$63,495
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$75,539	$19,893		$0		$95,432
Home Education	$6,000	$0	$500		$0		$6,500
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$645,102	$46,861	$30,607	$41,619	$0		$764,189
Student Health Initiative	$136,771	$339	$143,902		$0		$281,012
High Speed Networking			$0		$0		$0
Class Size	$807,654	$0	$0	$0	$0		$807,654
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$16,524,665	$680,293	$1,158,834	$927,022	$86,115	$234,156	$19,611,085
TOTAL EXPENSES	$20,449,400	$5,855,803	$2,754,005	$968,641	$119,745	$234,156	$30,381,750

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.3	19.7
ECS Program Unit (PUF)	1.3	26.4
Severe Disabilities (Gr 1-12)	5.1	86.2

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1175

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		$42,431,558

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.78%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,028,228
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		$2,028,228
Less: 2005/2006 Board and System Administration expenses		-$1,484,492
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$543,736

School Jurisdiction Code: 1175

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$392,269
Source of Net School Generated Funds:				
Fundraising activities	$596,121	$400,412	$195,709	
Student fees (Non-Instructional) (Note 2)	$657,715	$622,742	$34,973	
Donations and grants to schools	$35,031	$2,784	$32,247	
Other (describe): Band, Clubs, Sports Teams...	$18,315	$7,889	$10,426	
Net Additions to SGF	$1,307,182	$1,033,827		$273,355
Net SGF Available for Spending				$665,624
Application of Net School Generated Funds:				
Extra-curricular activities			$155,367	
School site beautification			$5,765	
Field Trips			$56,506	
Equipment			$6,121	
Family literacy and other community resources			$706	
Other (describe): Band, Clubs, Sports Teams, Student Council...			$6,296	
Net SGF Expended (Note 3)				$230,761
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$434,863

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1175

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$373,325	$0	$94,267	$95,513	$563,105		$563,105
Uncertificated benefits	$0	$70,486	$0	$34,866	$19,103	$124,455		$124,455
Sub-total Remuneration	$0	$443,811	$0	$129,133	$114,616	$687,560		$687,560
Contracted Services	$852,096	$298,451	$0	$420,880	$3,796	$1,575,223		$1,575,223
Supplies	$58,625	$451,008	$0	$0	$9,279	$518,912		$518,912
Electricity			$453,606			$453,606		$453,606
Natural Gas/Heating Fuel			$408,023			$408,023		$408,023
Sewer and Water			$47,011			$47,011		$47,011
Telecommunications			$13,716			$13,716		$13,716
Insurance					$100,391	$100,391		$100,391
Amortization of capital assets								
Supported							$880,198	$880,198
Unsupported						$38,572		$38,572
Total Amortization						$38,572	$880,198	$918,770
Interest on capital debt								
Supported							$1,019,832	$1,019,832
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$910,721	$1,193,270	$922,356	$550,013	$228,082	$3,843,014	$1,900,030	$5,743,044
SQUARE METRES								
School Buildings								58,964.2
Non School Buildings								4,244.8

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1175

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Jespersen, Clayton	1.0	$25,316	$4,630	$0			$29,946	$5,502
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Borg, Garry	1.0	$11,868	$4,201	$0			$16,069	$3,912
Name	Hodge, Laurie	1.0	$15,208	$329	$0			$15,537	$4,245
Name	Kubinec, Maureen	1.0	$9,661	$4,113	$0			$13,774	$1,534
Name	Nagel, Ken	1.0	$19,920	$0	$0			$19,920	$11,102
Name	Venables, Joyce	1.0	$19,464	$0	$0			$19,464	$6,520
Name	Volomey, Sharon	1.0	$21,592	$963	$0			$22,555	$4,103
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$123,029*	*$14,236*	*$0*			*$137,265*	*$36,918*
Superintendent	Harvey, Richard	0.1	$10,583	$1,216	$0	$0	$0	$11,799	$722
Superintendent	Panas, David	0.9	$145,661	$9,292	$0	$0	$0	$154,953	$5,114
Secretary/Treasurer	Meunier, Tracy	1.0	$103,000	$18,373	$0	$0	$0	$121,373	$5,133
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		234.3	$18,226,262	$2,267,893	$0	$0	$0	$20,494,155	
Uncertificated Salaries & Wages		326.0	$7,684,061	$1,606,567	$0	$0	$0	$9,290,628	
TOTALS			**$26,292,596**	**$3,917,577**	**$0**	**$0**	**$0**	**$30,210,173**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1115

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Prairie Land Regional Division # 25
Legal Name of School Jurisdiction

Bag Service 1400, Hanna, Alberta T0J !p0
Mailing Address

Phone: 403-854-4481 Fax: 403-854-2803
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Prairie Land Regional Division # 25 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

John Neill	ORIGINAL SIGNED
Name	Signature

SUPERINTENDENT

William Lee	ORIGINAL SIGNED
Name	Signature

SECRETARY TREASURER OR TREASURER

Sharon Orum, CMA	ORIGINAL SIGNED
Name	Signature

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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ELL & ANDERSON
CHARTERED ACCOUNTANTS
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Auditor's Report

To the Board of Trustees
Prairie Land Regional Division #25

We have audited the statement of financial position of the Prairie Land Regional Division #25 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

HANNA, ALBERTA
NOVEMBER 17, 2006

CHARTERED ACCOUNTANTS

CA
Member of
The Institute of Chartered Accountants of Alberta

* denotes operating as a professional corporation.

School Jurisdiction Code: 1115

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$6,235,454	$5,790,535
Accounts receivable (net after allowances)		$354,913	$743,783
Prepaid expenses		$25,018	$48,081
Other current assets		$0	$0
Total current assets		$6,615,385	$6,582,399
School generated assets		$286,867	$297,516
Trust assets		$673,676	$681,724
Long term accounts receivable		$0	$0
Long term investments		$20,819	$0
Capital assets			
Land		$574,670	$574,670
Buildings	$32,386,825		
Less: accumulated amortization	($15,234,588)	$17,152,237	$17,778,932
Equipment	$1,566,260		
Less: accumulated amortization	($614,621)	$951,639	$990,779
Vehicles	$4,610,258		
Less: accumulated amortization	($3,140,538)	$1,469,720	$1,455,661
Total capital assets		$20,148,266	$20,800,042
TOTAL ASSETS		$27,745,013	$28,361,681
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$723,857	$957,763
Deferred revenue		$650,852	$594,309
Deferred capital allocations		$361,771	$412,011
Current portion of all long term debt		$518,474	$518,474
Total current liabilities		$2,254,954	$2,482,557
School generated liabilities		$286,867	$297,516
Trust liabilities		$673,676	$681,724
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$2,518,182	$3,036,656
Less: Current portion of supported debt		($518,474)	($518,474)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$19,800	$0
Unamortized capital allocations		$14,220,132	$14,572,768
Total long term liabilities		$17,200,183	$18,070,190
TOTAL LIABILITIES		$19,455,137	$20,552,747
NET ASSETS			
Unrestricted net assets		$223,995	$219,983
Operating Reserves		$3,335,847	$3,004,774
Accumulated Operating Surplus (Deficit)		$3,559,842	$3,224,757
Investment in capital assets		$3,409,962	$3,190,630
Capital Reserves		$1,320,072	$1,393,547
Total Capital Funds		$4,730,034	$4,584,177
Total net assets		$8,289,876	$7,808,934
TOTAL LIABILITIES AND NET ASSETS		$27,745,013	$28,361,681

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1115

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$17,799,065	$17,650,067	$17,573,049
Federal Government and/or First Nations	$0	$4,000	$9,730
Other Alberta school authorities	$12,571	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$482,019	$477,446	$528,456
Instruction resource fees	$143,665	$158,346	$163,569
Transportation fees	$0	$0	$0
Other sales and services	$126,611	$10,000	$32,974
Investment income	$192,321	$190,000	$173,313
Gifts and donations	$0	$0	$0
Rentals of facilities	$113,619	$100,000	$99,766
Net school generated funds	$286,867	$290,000	$297,516
Gains on disposal of capital assets	$21,158	$0	$27,207
Amortization of capital allocations	$1,028,187	$794,000	$790,142
Total Revenues	$20,206,083	$19,673,859	$19,695,722
EXPENSES			
Certificated salaries	$8,835,134	$8,897,508	$9,123,500
Certificated benefits	$907,276	$960,931	$880,616
Uncertificated salaries and wages	$3,924,535	$4,144,384	$4,089,231
Uncertificated benefits	$731,376	$909,743	$726,710
Services, contracts and supplies	$3,200,880	$3,590,756	$3,394,682
Net school generated funds	$286,867	$290,000	$297,516
Capital and debt services			
Amortization of capital assets			
Supported	$1,028,187	$794,000	$790,142
Unsupported	$529,082	$556,308	$493,031
Total Amortization of capital assets	$1,557,269	$1,350,308	$1,283,173
Interest on capital debt			
Supported	$250,335	$272,679	$297,731
Unsupported	$0	$0	$0
Total Interest on capital debt	$250,335	$272,679	$297,731
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$31,469	$0	$2,116
Total Expenses	$19,725,141	$20,416,309	$20,095,275
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$480,942	($742,450)	($399,553)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$480,942	($742,450)	($399,553)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$480,942	($399,553)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,028,187)	($790,142)
Total amortization expense	$1,557,269	$1,283,173
Gains on disposal of capital assets	($21,158)	($27,207)
Losses on disposal of capital assets	$31,469	$2,116
Changes in accrued accounts:		
Accounts receivable	$388,870	$169,457
Prepaids and other current assets	$23,063	($31,614)
Long term accounts receivable	$0	$0
Long term investments	($20,819)	$0
Payables and accrued liabilities	($233,906)	$135,348
Deferred revenue	$56,543	$270,622
Employee future benefit expense (recovery)	$0	$0
Other (describe) Long term liabilities	$19,801	$0
Total sources (uses) of cash from Operations	$1,253,887	$612,200
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($193,018)	($44,727)
Equipment	($368,039)	($433,096)
Vehicles	($383,387)	($368,902)
Net proceeds from disposal of capital assets	$28,639	$48,785
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($915,805)	($797,940)
C. FINANCING ACTIVITIES		
Capital allocations	$106,837	$332,403
Issue of long term debt	$0	$0
Repayment of long term debt	($518,474)	($545,974)
Add back: supported portion	$518,474	$545,974
Other (describe)	$0	$63,781
Total sources (uses) of cash from Financing activities	$106,837	$396,184
Net sources (uses) of cash during year	$444,919	$210,444
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$5,790,535	$5,580,091
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,235,454	$5,790,535

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1115

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				TOTAL	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$7,808,934	$3,190,630	$219,983	$4,398,321	$1,714,806	$423,786	$731,908	$323,678	$230,000	$20,771	$242,984	$625,312	$85,076	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$7,808,934	$3,190,630	$219,983	$4,398,321	$1,714,806	$423,786	$731,908	$323,678	$230,000	$20,771	$242,984	$625,312	$85,076	$0
Excess(def) of revenue over expenses	$480,942		$480,942											
Board funded capital transactions		$787,365		($787,365)	($57,020)	($140,919)	($112,649)	($160,408)	$0	($18,345)	$0	($298,024)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,557,269)	$1,557,269											
Amortization of capital allocations		$1,028,187	($1,028,187)											
Disposal of unsupported capital assets	$0	($38,951)	$10,312	$28,639		$13,500		$404		$0		$14,735		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($668,148)	$668,148	$302,778		$91,759		$0		$273,611		$0	
Net transfers from operating reserves			$167,406	($167,406)	($141,358)		$0		$0		$0		($26,048)	
Net transfers to capital reserves			($515,582)	$515,582		$126,308		$92,103		$19,711		$277,460		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$8,289,876	$3,409,962	$223,995	$4,655,919	$1,819,206	$422,675	$711,018	$255,777	$230,000	$22,137	$516,595	$619,483	$59,028	$0

School Jurisdiction Code: 1115

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$412,011	$14,572,768
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$412,011	$14,572,768
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$85,817	
	Federal Government and/or First Nations	$0	
	Other sources	$13,926	
Interest earned on provincial government capital allocations		$7,094	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$518,474
Expended capital allocations - current year		($157,077)	$157,077
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			
Capital allocations amortized to revenue			$1,028,187
Balance at August 31, 2006		$361,771	$14,220,132

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition
Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets
Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Equipment & Furnishings	2.5% to 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds
These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expensed at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay
Vacation Pay is accrued in the period in which the employee earns the benefit.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Prairie Land Regional Division #25 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $179,565.16 for the Year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

g) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h) Financial Instruments

These consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Employee Future Benefits

The jurisdiction accrues annually its employee future benefits obligations, at this time there is no financial impact on the jurisdiction.

k) Investments

Short term investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

3. TEMPORARY INVESTMENTS

Included in cash and temporary investments are the following bond investments held with RBC Dominion Securities;

Description	2006 Market Value	2006 Cost	2005 Market Value	2005 Cost
CPN Prov of Ontario due 06/20/07	$917,238	$925,473		
CPN Prov of Ontario due 12/20/07	$912,123	$926,075		
CPN Prov of Ontario due 3/1/08	$912,847	$926,848		
CPN Gov of Canada due 12/1/08	$708,341	$707,522		
PRN Prov of Quebec due 6/1/09	$709,915	$707,958		
TOTAL	$4,160,464	$4,193,876		

4. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Learning	$3,416	$3,415
Federal Government	70,798	109,509
Other Alberta School Jurisdictions	20,089	2,611
Other Province of Alberta	2,800	2,800
Alberta Finance	116,106	506,148
Other	141,704	119,300
Total	$354,913	$743,783

5. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $500,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

6. DEFERRED REVENUE

	2006	2005
Alberta Initiative for School Improvement	$127,489	$133,074
Infrastructure Maintenance Renewal	249,868	228,840
Classroom Initiative	255,778	119,697
Family Resource Worker		65,571
Other	17,717	47,127
Total	$650,852	$594,309

7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for following areas:

Scholarship Trusts	**2006**	**2005**
Berry Creek	$263,201	$265,794
Cochrane	5,835	5,886
McLaren-Cook	3,958	3,830
Deugo	2,287	2,214
Fielding	59,012	58,986
Neutral Hills	62,065	64,314
Gourlay	3,625	3,658
Housch	1,116	1,125
Gramlich	2,097	2,029
Kush	8,497	8,335
Olsen	4,754	4,986
Shepherd	6,010	5,815
Todd	5,761	5,912
Ward	7,266	7,127
Prairie Land interest on $200,000 fund	17,494	20,478
Wimmer	2,727	3,219
JC Charyk	30,839	32,161
Special Areas #2 Bursary	138,852	136,770
Faupel	48,230	49,085
Atco Power Sheemess	50	
Total	**$673,676**	**$681,724**

8. LONG TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.5% and 10.875%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	**Interest**	**Total**
2006-2007	$518,474	$226,112	$744,586
2007-2008	518,474	185,069	703,543
2008-2009	359,204	138,502	497,706
2009-2010	315,810	105,870	421,680
2010-2011	207,143	71,131	278,274
2011 to maturity	599,078	115,334	714,412
Total	$2,518,183	$842,018	$3,360,201

b) Capital Leases – Unsupported

Currently, there is no capital leases held by the jurisdiction.

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure had not yet been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

10. OTHER LONG TERM LIABILITIES

During the year the Division approved the participation of certain employees in the Supplemental Integrated Pension Plan (SiPP) non-registered retirement plan introduced to provide for the portion of accrued pension based on the SiPP formula that is in excess of the Income Tax Act maximums. This program is not a registered pension plan and is not subject to pension regulation. The other long term liabilities are comprised of $19,800 of accrued benefit liability and uncertificated benefits includes expense of $19,800 relating to this program.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. T he unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

12. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

During the year, the board passed a resolution to conduct a review of central office positions and related salaries using the services of a labor specialist to determine the fairness which will likely result in retroactive adjustments. The financial implication of this decision is not determinable at this time.

The Prairie Land Regional Division #25 has agreements with the employees to allow the individuals to bank and vest sick hours. These vested sick hours are capped by the division based on the job description areas. These banks are accumulated up to a predetermined maximum and are eliminated upon termination, without payout. The potential liability for these banked sick hours is not recorded as a liability or a charge to equity in these financial statements. The following table illustrates the total hours banked by each job description:

Description	Number of Employees	Total hours Banked
Teachers	128	72,714.20
Support Staff	107	35,276.22
Bus Drivers	45	5,462.50

13. ECONOMIC DEPENDANCE ON RELATED THIRD PARTY

The Prairie Land Regional Division #25's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependant on this funding.

14. SUBSEQUENT EVENTS

Subsequent to the year end, the board ratified an agreement to retroactively pay the bus drivers 2.5% of gross salaries per year for 2005 and 2006, the financial effect of which is not determinable at this time.

15. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

SCHEDULE A to the AFS

School Jurisdiction Cod 1115

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$17,320,927	$12,547,756	$1,724,173	$2,189,282	$773,716	$86,000
(2) **Alberta Infrastructure & Transportation**	$125,120		$125,120			
(3) **Alberta Finance**	$250,335		$250,335			$0
(4) **Other - Government of Alberta**	$102,683	$28,559	$7,424	$0	$0	$66,700
(5) **Federal Government and/or First Nations**	$0		$0	$0	$0	$0
(6) **Other Alberta school authorities**	$12,571		$0	$12,571	$0	$0
(7) **Out of province authorities**	$0		$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$482,019		$157,500	$157,500	$0	$167,019
(9) **Instruction resource fees**	$143,665	$143,665				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$126,611	$40,003	$5,873	$0	$80,735	$0
(12) **Investment income**	$192,321		$0	$0	$192,321	$0
(13) **Gifts and donations**	$0		$0	$0		$0
(14) **Rentals of facilities**	$113,619	$4,045	$109,574	$0	$0	$0
(15) **Net school generated funds**	$286,867	$286,867			$0	
(16) **Gains on disposal of capital assets**	$21,158	$6,519	$404	$14,235	$0	$0
(17) **Amortization of capital allocations**	$1,028,187	$245,197	$782,990	$0		$0
(18) **TOTAL REVENUES**	$20,206,083	$13,302,611	$3,163,393	$2,373,588	$1,046,772	$319,719
EXPENSES						
(19) **Certificated salaries**	$8,835,134	$8,585,252			$249,882	$0
(20) **Certificated benefits**	$907,276	$879,407			$27,869	$0
(21) **Uncertificated salaries and wages**	$3,924,535	$1,469,882	$812,065	$1,056,140	$343,373	$243,075
(22) **Uncertificated benefits**	$731,376	$317,219	$161,803	$107,158	$101,336	$43,860
(23) **SUB - TOTAL**	$14,398,321	$11,251,760	$973,868	$1,163,298	$722,460	$286,935
(24) **Services, contracts & supplies**	$3,200,880	$1,186,888	$972,337	$678,221	$304,601	$58,833
(25) **Cost recoveries between programs**	$0	$40,534	$0	($40,534)	$0	$0
(26) **Net school generated funds**	$286,867	$286,867				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,028,187	$245,197	$782,990	$0	$0	$0
(28) Unsupported	$529,082	$139,808	$92,103	$277,460	$19,711	$0
(29) Total Amortization	$1,557,269	$385,005	$875,093	$277,460	$19,711	$0
Interest on capital debt						
(30) Supported	$250,335	$0	$250,335	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$31,469	$9,938	$0	$21,531	$0	$0
(34) **TOTAL EXPENSES**	$19,725,141	$13,160,992	$3,071,633	$2,099,976	$1,046,772	$345,768
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$480,942	$141,619	$91,760	$273,612	$0	($26,049)

School Jurisdiction Code: 1115

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$264,576
Base Instruction (Gr 1-12)	$8,074,945
Outreach Programs	$52,020
Home Education	$0
Differential Cost Funding *	$8,409,010
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$12,852
Provincial Priority Targeted Funding	
Class Size Initiative	$126,131
Student Health Initiative (SHI)	$37,788
Alberta Initiative for School Improvement (AISI)	$214,835
High Speed Networking	$82,770
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe):	$46,000
Total Alberta Education Revenues	$17,320,927

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1115

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$753,417	$796,330	$448,412		$0	$581,868	$2,580,027
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$201,755	$452,901	$6,262		$0		$660,918
ECS Program Unit (PUF)	$0	$40,052	$17,445				$57,497
Severe Disabilities (Gr 1-12)	$0	$449,573	$74,763		$0		$524,336
English as a Second Language	$74,909	$31,929	$111		$0		$106,949
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$166,209	$0	$48,627	$0	$0		$214,836
Student Health Initiative	$0	$16,232	$16,015		$0		$32,247
High Speed Networking			$71,298		$0		$71,298
Class Size	$99,295	$0	$26,836	$0	$0		$126,131
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$8,169,158	$0	$498,248	$12,852	$40,534	$65,961	$8,786,753
TOTAL EXPENSES	$9,464,743	$1,787,017	$1,208,017	$12,852	$40,534	$647,829	$13,160,992

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	2.6	18.4
ECS Program Unit (PUF)	0.0	1.6
Severe Disabilities (Gr 1-12)	0.0	18.3

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1115

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$19,725,141**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,183,508

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,183,508**
Less: 2005/2006 Board and System Administration expenses		-$1,046,772
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$136,736

School Jurisdiction Code: 1115

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$297,516
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$231,487	$121,867	$109,620	
Student fees (Non-Instructional) (Note 2)	$86,157	$0	$86,157	
Donations and grants to schools	$77,419	$0	$77,419	
Other (describe): staff fees/bank interest/misc/supplies	$114,393	$0	$114,393	
Net Additions to SGF	$509,456	$121,867		$387,589
Net SGF Available for Spending				$685,105
Application of Net School Generated Funds:				
Extra-curricular activities			$189,447	
School site beautification			$0	
Field Trips			$17,100	
Equipment			$2,692	
Family literacy and other community resources			$7,623	
Other (describe): awards/donations (i.e. unicef)/school functions & meals/bank fees/yearbooks &handbooks/misc			$181,376	
Net SGF Expended (Note 3)				$398,238
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$286,867

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1115

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$456,902	$308,912	$0	$0	$46,251	$812,065		$812,065
Uncertificated benefits	$96,100	$54,133	$0	$0	$11,570	$161,803		$161,803
Sub-total Remuneration	$553,002	$363,045	$0	$0	$57,821	$973,868		$973,868
Contracted Services	$0	$2,781	$0	$0	$39,927	$42,708		$42,708
Supplies	$46,570	$196,595	$0	$86,104	$3,460	$332,729		$332,729
Electricity			$227,115			$227,115		$227,115
Natural Gas/Heating Fuel			$231,512			$231,512		$231,512
Sewer and Water			$66,005			$66,005		$66,005
Telecommunications			$8,968			$8,968		$8,968
Insurance					$63,300	$63,300		$63,300
Amortization of capital assets								
Supported							$782,990	$782,990
Unsupported						$92,103		$92,103
Total Amortization						$92,103	$782,990	$875,093
Interest on capital debt								
Supported							$250,335	$250,335
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$599,572	$562,421	$533,600	$86,104	$164,508	$2,038,308	$1,033,325	$3,071,633
SQUARE METRES								
School Buildings								30,824.1
Non School Buildings								5,820.8

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1115

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	J. Neill	1.0	$14,178	$2,973	$0			$17,151	$11,686
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	G. Nelson	1.0	$9,509	$2,817	$0			$12,326	$5,672
Name	A. Heilman	1.0	$0	$0	$0			$0	$2,389
Name	J. Heatherington	0.1	$900	$588	$0			$1,488	$435
Name	E.Horner	1.0	$10,802	$2,925	$0			$13,727	$6,070
Name	L.Danielson	1.0	$8,271	$2,852	$0			$11,123	$3,340
Name	D.Roy	1.0	$8,551	$2,804	$0			$11,355	$4,338
Name	S. Taylor	1.0	$8,833	$279	$0			$9,112	$4,193
Name	S. Vogel	0.6	$506	$2	$0			$508	$2,900
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.7*	*$61,550*	*$15,240*	*$0*			*$76,790*	*$41,023*
Superintendent	B. Lee	1.0	$130,689	$12,608	$0	$0	$0	$143,297	$8,933
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	S. Orum	1.0	$107,236	$22,260	$0	$0	$0	$129,496	$2,382
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		111.5	$8,654,445	$894,668	$0	$0	$50,000	$9,599,113	
Uncertificated Salaries & Wages		107.4	$3,755,749	$693,876	$0	$0	$0	$4,449,625	
TOTALS			**$12,709,669**	**$1,638,652**	**$0**	**$0**	**$50,000**	**$14,398,321**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 195

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

PRAIRIE ROSE SCHOOL DIVISION NO.8
Legal Name of School Jurisdiction

P.O.BOX 204 DUNMORE,AB T0J 1A0
Mailing Address

PHONE: 403-5275516 FAX:404-5282264
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules PRAIRIE ROSE SCHOOL DIVISION NO 8
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

MARIAN PEERS	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT

DOUG NICHOLLS	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER

PATRICIA COCKS	"ORIGINAL SIGNED"
Name	Signature

29-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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MNP

MEYERS NORRIS PENNY LLP

Auditor's Report

To the Board of Trustees
Prairie Rose School Division No. 8

We have audited the statement of financial position of the Prairie Rose School Division No. 8 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Prairie Rose School Division No. 8 as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

Chartered Accountants

Medicine Hat, Alberta
November 3, 2006

School Jurisdiction Code: 195

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$4,064,232	$2,716,188
Accounts receivable (net after allowances)		$733,613	$1,353,141
Prepaid expenses		$439,080	$307,637
Other current assets		$23,350	$3,350
Total current assets		$5,260,275	$4,380,316
School generated assets		$535,204	$580,884
Trust assets		$360,983	$202,436
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$779,890	$779,890
Buildings	$38,583,909		
Less: accumulated amortization	($20,342,240)	$18,241,669	$19,336,273
Equipment	$1,656,733		
Less: accumulated amortization	($668,813)	$987,920	$981,354
Vehicles	$496,552		
Less: accumulated amortization	($124,452)	$372,100	$196,513
Total capital assets		$20,381,578	$21,294,030
TOTAL ASSETS		$26,538,041	$26,457,666
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,025,402	$1,093,310
Deferred revenue		$783,788	$690,321
Deferred capital allocations		$108,234	$27,396
Current portion of all long term debt		$299,265	$338,175
Total current liabilities		$2,216,688	$2,149,202
School generated liabilities		$535,204	$580,884
Trust liabilities		$360,983	$202,436
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$2,056,474	$2,356,319
	Less: Current portion of supported debt	($274,265)	($299,846)
Unsupported:	Debentures and Capital Loans	$75,000	$113,342
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	($25,000)	($38,329)
Other long term liabilities		$0	$0
Unamortized capital allocations		$12,443,775	$12,960,364
Total long term liabilities		$15,172,172	$15,875,170
TOTAL LIABILITIES		$17,388,859	$18,024,372
NET ASSETS			
Unrestricted net assets		$649,021	$789,617
Operating Reserves		$2,577,563	$1,663,459
Accumulated Operating Surplus (Deficit)		$3,226,584	$2,453,076
Investment in capital assets		$5,806,344	$5,864,018
Capital Reserves		$116,254	$116,200
Total Capital Funds		$5,922,598	$5,980,218
Total net assets		$9,149,182	$8,433,294
TOTAL LIABILITIES AND NET ASSETS		$26,538,041	$26,457,666

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 195

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$36,800,190	$35,534,478	$34,889,788
Federal Government and/or First Nations	$189,821	$192,644	$189,038
Other Alberta school authorities	$0	$18,420	$0
Out of province authorities	$47,151	$30,000	$31,552
Alberta Municipalities (excluding supplementary requisitions)	$189,101	$167,286	$155,733
Instruction resource fees	$201,424	$203,540	$205,005
Transportation fees	$18,320	$17,355	$17,177
Other sales and services	$195,807	$94,130	$59,015
Investment income	$180,196	$82,050	$87,272
Gifts and donations	$243,257	$174,050	$146,550
Rentals of facilities	$120,046	$130,000	$123,091
Net school generated funds	$792,472	$325,016	$571,573
Gains on disposal of capital assets	$54	$0	$14,703
Amortization of capital allocations	$947,475	$890,000	$950,786
Total Revenues	$39,925,313	$37,858,969	$37,441,283
EXPENSES			
Certificated salaries	$17,370,516	$17,404,780	$17,296,798
Certificated benefits	$1,997,609	$2,001,550	$1,982,497
Uncertificated salaries and wages	$5,666,801	$5,409,389	$5,323,396
Uncertificated benefits	$1,040,267	$900,912	$909,991
Services, contracts and supplies	$10,775,853	$10,227,281	$9,785,578
Net school generated funds	$792,472	$325,016	$571,573
Capital and debt services			
Amortization of capital assets			
Supported	$947,475	$890,000	$1,010,786
Unsupported	$393,295	$375,960	$329,465
Total Amortization of capital assets	$1,340,770	$1,265,960	$1,340,251
Interest on capital debt			
Supported	$214,054	$270,000	$229,275
Unsupported	$8,188	$9,687	$10,409
Total interest on capital debt	$222,241	$279,687	$239,684
Other interest charges	$2,896	$4,500	$2,608
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$39,209,425	$37,819,075	$37,452,376
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$715,888	$39,894	($11,093)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$715,888	$39,894	($11,093)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 195

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$715,888	($11,093)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($947,475)	($950,786)
Total amortization expense	$1,340,770	$1,340,251
Gains on disposal of capital assets	($54)	($14,703)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$619,528	$119,865
Prepaids and other current assets	($151,443)	($29,284)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($67,908)	($378,723)
Deferred revenue	$93,467	$310,840
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,602,772	$386,367
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	$0
Equipment	($225,398)	($83,131)
Vehicles	($223,790)	($83,913)
Net proceeds from disposal of capital assets	$20,923	$14,703
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($428,265)	($152,341)
C. FINANCING ACTIVITIES		
Capital allocations	$211,878	$11,230
Issue of long term debt	$0	$0
Repayment of long term debt	($338,187)	($357,022)
Add back: supported portion	$299,846	$313,762
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$173,537	($32,030)
Net sources (uses) of cash during year	$1,348,044	$201,996
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$2,716,188	$2,514,192
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$4,064,232	$2,716,188

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 195

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$8,433,294	$5,864,018	$789,617	$1,779,659	$1,053,141	$0	$300,965	$116,200	$216,289	$0	$26,106	$0	$66,958	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$8,433,294	$5,864,018	$789,617	$1,779,659	$1,053,141	$0	$300,965	$116,200	$216,289	$0	$26,106	$0	$66,958	$0
Excess(def) of revenue over expenses	$715,888		$715,888											
Board funded capital transactions		$297,278	($297,278)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,340,770)	$1,340,770											
Amortization of capital allocations		$947,475	($947,475)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	($54)	$54		$0		$54		$0		$0		$0
Debt principal payments (unsupported)		$38,343	($38,343)											
Net transfers to operating reserves			($2,476,185)	$2,476,185	$1,071,464		$857,729		$263,638		$212,235		$71,119	
Net transfers from operating reserves			$1,562,081	($1,562,081)	($951,763)		($300,965)		($216,289)		($26,106)		($66,958)	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$9,149,182	$5,806,344	$649,021	$2,693,817	$1,172,842	$0	$857,729	$116,254	$263,638	$0	$212,235	$0	$71,119	$0

School Jurisdiction Code: 195

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$27,396	$12,960,364
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$27,396	$12,960,364
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$168,456	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$43,422	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$299,846
Expended capital allocations - current year		($131,040)	$131,040
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$947,475
Balance at August 31, 2006		$108,234	$12,443,775

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

PRAIRIE ROSE SCHOOL DIVISION NO. 8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a. REVENUE RECOGNITION

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital assets acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

b. CAPITAL ASSETS

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis. No amortization is taken in the year of acquisition and a full year of amortization is taken in the year of disposal. The rates are as follows:

Buildings	2.5% to 4%
Equipment	20%
Vehicles	10% to 20%

Only capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

c. SCHOOL GENERATED FUNDS

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d. VACATION PAY

Vacation pay is accrued in the period in which the employee earns the benefit.

e. PENSIONS

Pension costs included in these statements comprise the cost of employer contributions for current services of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Prairie Rose School Division No. 8 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to annual contributions of $140,913 for the year ended August 31, 2006 (2005: $162,241). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f. PREPAID EXPENSES

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

g. CONTRIBUTED SERVICES

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h. FINANCIAL INSTRUMENTS

These consist of cash, accounts receivable, temporary and long-term investments, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

i. OPERATING AND CAPITAL RESERVES

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

j. EMPLOYEE FUTURE BENEFITS

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

k. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amortization is based on the estimated useful lives of capital assets. Amortization of capital allocations is based on the related estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 60,049	$ 90,676
Alberta Infrastructure and Transportation	-	626,626
Alberta Finance	148,069	161,925
Other Province of Alberta	-	36,201
Federal Government	222,083	200,391
Alberta Municipalities	122,298	62,785
Other Alberta school jurisdictions	6,908	12,899
Other	174,206	161,638
Total	$ 733,613	$ 1,353,141

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $750,000 (2005 - $588,000) that bears interest at the bank prime rate less ¼%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006 (nil – 2005). Although the jurisdiction is authorized for a line of credit in the amount of $750,000 they are limited to their accounts receivable balance of $733,613, by section 183(1) of the School Act.

5. ACCOUNTS PAYABLE AND LIABILITIES

	2006	2005
Alberta Education	$ 173,561	$ 25,093
Alberta Finance	150,802	195,356
Alberta Municipalities	8,802	11,989
Other Trade Payables and Accrued Liabilities	692,237	860,872
Total	$ 1,025,402	$ 1,093,310

PRAIRIE ROSE SCHOOL DIVISION NO. 8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

6. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Program (formerly BQRP)	$ 571,068	$ 517,945
Alberta Initiative for School Improvement	-	35,528
Other	212,720	136,848
Total	$ 783,788	$ 690,321

7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Scholarship trusts	$ 360,983	$ 202,436

8. LONG-TERM DEBT

a. DEBENTURE DEBT – SUPPORTED

The debenture debt bears interest at rates varying between 7.625% and 12.050%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$ 274,265	$ 193,390	$ 467,655
2007-2008	182,490	166,656	349,146
2008-2009	182,490	149,271	331,761
2009-2010	182,490	131,885	314,375
2010-2011	162,551	114,499	277,050
2011 to maturity	1,072,188	381,752	1,453,940
Total	$ 2,056,474	$ 1,137,453	$ 3,193,927

b. DEBENTURE DEBT - UNSUPPORTED

The debenture debt bears interest at rates varying between 7.700% and 12.050%. Debenture payments due over the next three years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$ 25,000	$ 6,141	$ 31,141
2007-2008	25,000	4,094	29,094
2008-2009	25,000	2,047	27,047
Total	$ 75,000	$ 12,282	$ 87,282

c. CAPITAL LEASES – UNSUPPORTED

There are currently no capital leases held by the jurisdiction. In 2005, the Division had a capital lease outstanding of $13,342, of which all was repaid during the year.

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the jurisdiction, but the related expenditure has not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debentured principal repayments.

11. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

12. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

13. ECONOMIC DEPENDENCE

The Prairie Rose School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

14. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

PRAIRIE ROSE SCHOOL DIVISION NO. 8

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2006

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		**Transactions**	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	$ 60,049	$ 173,561	$ 36,109,106	$ -
Infrastructure & Transportation	-	-	201,215	-
Finance	148,069	2,207,276	202,301	-
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	4,800	-
Other Gov't of Alberta Departments:	-	-	-	-
Children's Services	-	-	-	-
Health and Wellness	-	-	270,000	-
Other: Health authorities – Palliser Health Region	-	-	20,464	26,757
Post-secondary institutions:				
Medicine Hat College	-		-	5,567
Southern Alberta Institute of Technology	-	-	-	5,550
University of Alberta	-	-	2,002	1,635
University of Calgary	-	-	-	454
University of Lethbridge	-	-	-	1,950
	-	-	**2,002**	**15,156**
Other Alberta school jurisdictions:				
Christ the Redeemer Catholic Separate Regional Division No.3	-	-	5,000	-
Grasslands Regional Div. No.6	-	-	10,000	-
Medicine Hat Catholic Separate Regional Div. No.20	6,908	-	10,000	-
Calgary School Dist. No.19	-	-	-	49,202
Lethbridge School Dist. No.51	-	-	-	975
Palliser Regional Div. No.26	-	-	-	1,076
Westwind School Div. No.74	-	-	-	150
Medicine Hat School Dist. No.76	-	-	3,560	25,614
			28,560	**77,017**
TOTAL 2005-2006	**$215,026**	**$2,380,837**	**$36,838,448**	**$118,930**
TOTAL 2004-2005	**$915,428**	**$2,576,768**	**$35,097,292**	**$71,411**

SCHEDULE A to the AFS

School Jurisdiction Cod 195

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$36,109,106	$25,912,071	$3,501,281	$5,105,754	$1,590,000	$0
(2) **Alberta Infrastructure & Transportation**	$201,215	$0	$201,215			
(3) **Alberta Finance**	$202,301		$202,301			$0
(4) **Other - Government of Alberta**	$287,568	$270,000	$4,800	$0	$0	$12,768
(5) **Federal Government and/or First Nations**	$189,821	$189,821	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$47,151	$47,151	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$189,101	$0	$0	$0	$0	$189,101
(9) **Instruction resource fees**	$201,424	$201,424				
(10) **Transportation fees**	$18,320			$18,320		
(11) **Other sales and services**	$195,807	$195,807	$0	$0	$0	$0
(12) **Investment income**	$180,196	$144,103	$36,093	$0	$0	$0
(13) **Gifts and donations**	$243,257	$119,994	$0	$0		$123,263
(14) **Rentals of facilities**	$120,046	$0	$1,200	$0	$0	$118,846
(15) **Net school generated funds**	$792,472	$792,472			$0	
(16) **Gains on disposal of capital assets**	$54	$0	$54	$0	$0	$0
(17) **Amortization of capital allocations**	$947,475	$124,800	$822,675	$0		$0
(18) **TOTAL REVENUES**	$39,925,313	$27,997,642	$4,769,618	$5,124,074	$1,590,000	$443,978
EXPENSES						
(19) **Certificated salaries**	$17,370,516	$17,172,260			$198,256	$0
(20) **Certificated benefits**	$1,997,609	$1,974,810			$22,799	$0
(21) **Uncertificated salaries and wages**	$5,666,801	$3,492,741	$1,276,284	$71,994	$644,072	$181,710
(22) **Uncertificated benefits**	$1,040,267	$599,023	$271,194	17241.13	$129,203	$23,606
(23) **SUB - TOTAL**	$26,075,193	$23,238,834	$1,547,478	$89,235	$994,330	$205,315
(24) **Services, contracts & supplies**	$10,775,853	$3,508,914	$1,632,135	$4,841,763	$537,236	$255,804
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$792,472	$792,472				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$947,475	$124,800	$822,675	$0	$0	$0
(28) Unsupported	$393,295	$230,534	$139,134	$6,947	$0	$16,680
(29) Total Amortization	$1,340,770	$355,334	$961,809	$6,947	$0	$16,680
Interest on capital debt						
(30) Supported	$214,054	$0	$214,054	$0	$0	$0
(31) Unsupported	$8,188	$0	$0		$8,188	$0
(32) Other interest charges	$2,896	$0	$0		$2,896	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$39,209,425	$27,895,554	$4,355,475	$4,937,945	$1,542,651	$477,800
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$715,888	$102,088	$414,143	$186,129	$47,349	($33,822)

School Jurisdiction Code: 195

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$638,688
Base Instruction (Gr 1-12)	$15,114,278
Outreach Programs	$52,020
Home Education	$2,810
Differential Cost Funding *	$19,051,459
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$34,106
Provincial Priority Targeted Funding	
Class Size Initiative	$608,204
Student Health Initiative (SHI)	$145,637
Alberta Initiative for School Improvement (AISI)	$461,904
High Speed Networking	$0
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe).	($0)
Total Alberta Education Revenues	$36,109,106

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 195

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,232,614	$1,164,093	$346,933		$0	$8,485	$3,752,125
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$471,848	$1,084	$18,707		$0		$491,639
ECS Program Unit (PUF)	$66,319	$243,764	$241,815		$0		$551,898
Severe Disabilities (Gr 1-12)	$99,879	$1,363,096	$261,173		$0		$1,724,148
English as a Second Language	$477,200	$87,172	$27,281		$0		$591,653
French Language Program & Francisation (all jurisdictions)	$79,577	$0	$4,803		$0		$84,380
First Nations, Metis and Inuit Education (ECS - Gr 12)	$39,789	$0	$1,500		$0		$41,289
Home Education	$0	$0	$8,283		$0		$8,283
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$266,375	$17,214	$225,489	$0	$0		$509,077
Student Health Initiative	$0	$133,048	$23,694		$0		$156,741
High Speed Networking			$281,840		$0		$281,840
Class Size	$795,770	$0	$0	$0	$0		$795,770
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$14,617,700	$1,082,292	$2,067,397	$0	$0	$792,472	$18,906,710
TOTAL EXPENSES	$19,147,070	$4,091,764	$3,508,914	$0	$0	$800,957	$27,895,554

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	6.0	0.0
ECS Program Unit (PUF)	0.7	12.0
Severe Disabilities (Gr 1-12)	1.0	51.4

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 195

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$39,209,425**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**5.37%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,106,918
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,106,918**
Less: 2005/2006 Board and System Administration expenses		-$1,542,651
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$564,268

School Jurisdiction Code: 195

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$580,884
Source of Net School Generated Funds:				
Fundraising activities	$1,167,877	$476,208	$691,669	
Student fees (Non-Instructional) (Note 2)	$38,249	$0	$38,249	
Donations and grants to schools	$79,068	$56,844	$22,224	
Other (describe): account tfr, bank charges	$54,059	$52,296	$1,763	
Net Additions to SGF	$1,339,253	$585,348		$753,905
Net SGF Available for Spending				$1,334,789
Application of Net School Generated Funds:				
Extra-curricular activities			$636,752	
School site beautification			$0	
Field Trips			$71,888	
Equipment			$77,847	
Family literacy and other community resources			$13,098	
Other (describe):			$0	
Net SGF Expended (Note 3)				$799,585
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$535,204

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 195

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$721,705	$433,175	$0	$0	$121,404	$1,276,284		$1,276,284
Uncertificated benefits	$153,290	$92,118	$0	$0	$25,786	$271,194		$271,194
Sub-total Remuneration	$874,995	$525,293	$0	$0	$147,190	$1,547,478		$1,547,478
Contracted Services	$318,206	$17,853	$0	$201,214	$31,665	$568,938		$568,938
Supplies	$74,703	$190,499	$0	$0	$3,291	$268,493		$268,493
Electricity			$304,176			$304,176		$304,176
Natural Gas/Heating Fuel			$297,425			$297,425		$297,425
Sewer and Water			$68,949			$68,949		$68,949
Telecommunications			$10,626			$10,626		$10,626
Insurance					$113,528	$113,528		$113,528
Amortization of capital assets								
Supported							$822,675	$822,675
Unsupported						$139,134		$139,134
Total Amortization						$139,134	$822,675	$961,809
Interest on capital debt								
Supported							$214,054	$214,054
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,267,904	$733,645	$681,176	$201,214	$295,674	$3,318,747	$1,036,729	$4,355,475
SQUARE METRES								
School Buildings								55,793.9
Non School Buildings								5,594.1

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 195

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Marian Peers	1.0	$16,022	$499	$0			$16,520	$9,117
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Kathy Cooper	1.0	$17,279	$773	$0			$18,052	$11,596
Name	Graeme Dennis	1.0	$11,066	$465	$0			$11,532	$3,110
Name	Arnold Frank	1.0	$15,076	$664	$0			$15,740	$7,548
Name	Paulette Heller	1.0	$13,203	$571	$0			$13,774	$5,908
Name	Ryan Herman	1.0	$10,416	$433	$0			$10,849	$4,228
Name	Marjorie Moncrieff	1.0	$16,303	$725	$0			$17,028	$7,695
Name	Georgine Westgard	1.0	$13,147	$559	$0			$13,705	$5,963
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*8.0*	*$112,511*	*$4,689*	*$0*			*$117,200*	*$55,165*
Superintendent	Doug Nicholls	0.1	$10,417	$1,226	$0	$0	$0	$11,643	$9,513
Superintendent	Lowell Leffler	0.9	$111,203	$8,864	$0	$0	$0	$120,067	$15,852
Secretary/Treasurer	Patricia Cocks	1.0	$103,596	$15,865	$0	$0	$0	$119,461	$12,247
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		236.2	$17,248,896	$1,987,519	$0	$0	$0	$19,236,415	
Uncertificated Salaries & Wages		231.2	$5,450,694	$1,019,714	$0	$0	$0	$6,470,408	
TOTALS			**$23,037,316**	**$3,037,877**	**$0**	**$0**	**$0**	**$26,075,193**	

Note: Please refer to completion information on page 15

School Jurisdiction Code 19

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Red Deer Catholic Regional Division No. 39
Legal Name of School Jurisdiction

5210 - 61 Street, Red Deer, AB. T4N 6N8
Mailing Address

403 - 343 - 1055 403 - 347 - 6410
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Red Deer Catholic Regional Division No. 39 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mr. Gord Bontje — "ORIGINAL SIGNED"
Name **Signature**

SUPERINTENDENT

Mr. Don Dolan — "ORIGINAL SIGNED"
Name **Signature**

SECRETARY TREASURER OR TREASURER

Mr. Richard Dornstauder — "ORIGINAL SIGNED"
Name **Signature**

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 19

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Auditors' Report

To the Board of Trustees of Red Deer Catholic Regional Division #39:

We have audited the statement of financial position of Red Deer Catholic Regional Division #39 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

Red Deer, Alberta

November 8, 2006

Chartered Accountants

School Jurisdiction Code: 19

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$4,852,351	$2,529,847
Accounts receivable (net after allowances)		$3,031,198	$3,926,115
Prepaid expenses		$639,864	$846,911
Other current assets		$27,425	$31,274
Total current assets		$8,550,838	$7,334,147
School generated assets		$801,540	$651,373
Trust assets		$274,891	$260,381
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$361,489	$361,489
Buildings	$79,725,891		
Less: accumulated amortization	($24,439,544)	$55,286,347	$55,952,634
Equipment	$7,515,601		
Less: accumulated amortization	($5,216,298)	$2,299,303	$2,020,228
Vehicles	$1,363,379		
Less: accumulated amortization	($931,126)	$432,253	$422,401
Total capital assets		$58,379,392	$58,756,752
TOTAL ASSETS		$68,006,661	$67,002,653
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,931,879	$2,730,871
Deferred revenue		$375,082	$381,629
Deferred capital allocations		$301,457	$151,646
Current portion of all long term debt		$798,928	$826,182
Total current liabilities		$4,407,346	$4,090,328
School generated liabilities		$801,540	$651,373
Trust liabilities		$274,891	$260,381
Employee future benefits liability		$611,593	$318,526
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$3,394,897	$4,157,292
Less: Current portion of supported debt		($730,091)	($762,395)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$309,805	$373,592
Mortgages		$0	$0
Less: Current portion of unsupported debt		($68,837)	($63,787)
Other long term liabilities		$0	$0
Unamortized capital allocations		$51,800,200	$51,380,083
Total long term liabilities		$56,393,998	$56,315,065
TOTAL LIABILITIES		$60,801,344	$60,405,393
NET ASSETS			
Unrestricted net assets		$0	$0
Operating Reserves		$2,482,782	$2,198,022
Accumulated Operating Surplus (Deficit)		$2,482,782	$2,198,022
Investment in capital assets		$2,874,484	$2,845,779
Capital Reserves		$1,848,051	$1,553,459
Total Capital Funds		$4,722,535	$4,399,238
Total net assets		$7,205,317	$6,597,260
TOTAL LIABILITIES AND NET ASSETS		$68,006,661	$67,002,653

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 19

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$46,774,401	$46,661,484	$43,303,675
Federal Government and/or First Nations	$93,545	$0	$24,692
Other Alberta school authorities	$116,082	$74,500	$59,412
Out of province authorities	$52,875	$0	$16,750
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$552,308	$486,070	$520,554
Transportation fees	$43,031	$51,500	$30,330
Other sales and services	$449,139	$161,000	$329,770
Investment income	$206,241	$40,000	$105,043
Gifts and donations	$0	$0	$0
Rentals of facilities	$61,422	$45,000	$58,526
Net school generated funds	$150,166	$0	$87,879
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$2,352,084	$2,248,456	$2,250,538
Total Revenues	$50,851,294	$49,768,010	$46,787,169
EXPENSES			
Certificated salaries	$24,776,004	$24,842,579	$22,828,654
Certificated benefits	$3,426,256	$3,187,838	$3,145,432
Uncertificated salaries and wages	$6,771,883	$7,270,882	$6,325,491
Uncertificated benefits	$1,582,312	$1,503,605	$1,387,584
Services, contracts and supplies	$10,451,890	$9,996,444	$9,133,412
Net school generated funds	$150,166	$0	$87,879
Capital and debt services			
Amortization of capital assets			
Supported	$2,352,084	$2,223,912	$2,250,538
Unsupported	$303,318	$310,211	$280,228
Total Amortization of capital assets	$2,655,402	$2,534,123	$2,530,766
Interest on capital debt			
Supported	$395,386	$433,006	$478,485
Unsupported	$26,928	$26,941	$31,725
Total Interest on capital debt	$422,314	$459,947	$510,210
Other interest charges	$7,010	$0	$7,572
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$50,243,237	$49,795,418	$45,957,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$608,057	($27,408)	$830,169
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$608,057	($27,408)	$830,169

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 19

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$608,057	$830,169
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($2,352,084)	($2,250,538)
Total amortization expense	$2,655,402	$2,530,766
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$894,917	$188,103
Prepaids and other current assets	$210,896	($167,086)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$201,008	$1,079,300
Deferred revenue	($6,547)	$122,111
Employee future benefit expense (recovery)	$293,067	$96,428
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$2,504,716	$2,429,253
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,531,014)	($2,751,196)
Equipment	($672,360)	($381,634)
Vehicles	($100,635)	($352,068)
Net proceeds from disposal of capital assets	$25,967	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($2,278,042)	($3,484,898)
C. FINANCING ACTIVITIES		
Capital allocations	$2,159,617	$2,384,823
Issue of long term debt	$0	$0
Repayment of long term debt	($826,182)	($826,621)
Add back: supported portion	$762,395	$767,514
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,095,830	$2,325,716
Net sources (uses) of cash during year	$2,322,504	$1,270,071
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$2,529,847	$1,259,776
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$4,852,351	$2,529,847

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 19

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$6,597,260	$2,845,779	$0	$3,751,481	$1,614,679	$518,690	$340,000	$559,864	$140,257	$110,937	$103,086	$363,968	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$6,597,260	$2,845,779	$0	$3,751,481	$1,614,679	$518,690	$340,000	$559,864	$140,257	$110,937	$103,086	$363,968	$0	$0
Excess(def) of revenue over expenses	$608,057		$608,057											
Board funded capital transactions		$294,203	$0	($294,203)	$0	($70,848)		($179,029)	$0	($11,609)	$0	($32,717)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,655,402)	$2,655,402											
Amortization of capital allocations		$2,352,084	($2,352,084)											
Disposal of unsupported capital assets	$0	($25,967)	$0	$25,967		$0		$0		$0		$25,967		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$63,787	($63,787)											
Net transfers to operating reserves			($284,760)	$284,760	$115,000		$60,000		$28,391		$81,369		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($562,828)	$562,828		$0		$198,028		$46,270		$318,530		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$7,205,317	$2,874,484	$0	$4,330,833	$1,729,679	$447,842	$400,000	$578,863	$168,648	$145,598	$184,455	$675,748	$0	$0

School Jurisdiction Code: 19

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$151,646	$51,380,083
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$151,646	$51,380,083
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$2,159,617	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$762,395
Expended capital allocations - current year	($2,009,806)	$2,009,806
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$2,352,084
Balance at August 31, 2006	$301,457	$51,800,200

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Incorporation and operations

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). These financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality and within the framework of the significant accounting policies summarized as follows:

Cash and temporary investments

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory is valued at the lower of cost (first-in, first-out method) and net realizable value.

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

Capital assets

Capital assets are recorded at cost. Amortization is provided using rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	2.5 to 4%
Automotive	straight-line	10 to 50%
Equipment	straight-line	10 to 20%

Only assets with costs in excess of $5,000 are capitalized and amortization is not taken in the year of acquisition. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Long-lived assets

Long-lived assets consists of property, plant and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The School Jurisdiction performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year.

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Employee future benefits

The jurisdiction's employee future benefit programs consist of a defined benefit plan, a defined contribution multi-employer benefit plan and it also provides other post retirement benefits, including health, dental and life insurance, to its qualifying employees. The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs according to the nature of the plan. The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teacher Pension Plan Act, the Red Deer Catholic Regional Division #39 does not make pension contributions for certificated staff.

Employee future benefits liability
For the other post retirement benefits, the actuarially determined cost of these benefits is accrued over the estimated service lives of employees.

Defined contribution pension plan
The school board participates in the multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities.

Defined benefit pension plan
- The actuarial determination of the accrued benefit obligation for pensions used the project benefit method prorated on service (which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors).
- Actuarial gains (losses) arise from the difference resulting from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated net actuarial gain (loss) over 10 percent of the greater of the benefit obligation and the and the fair value of the plan assets is amortized over the remaining service period of active employees. The average remaining service period of active employees covered by the pension plan is 9 years.
- Past service costs arising from plan initiation are deferred and amortized on a straight line basis over the average remaining service period of employees active at the date of initiation.

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they are related.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Net school generated funds are recognized as revenue in the same period as the related expenses.

Capital contributions from the province or other agencies are recorded as deferred capital allocations. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities in the period in which they are received or receivable.

Net school generated funds

These are funds raised in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (i.e. yearbook sales, graduation fees, field trip fees, etc.). The net school generated funds are required by Alberta Education to be shown as a separate line in revenue and a separate line in expenses. The gross figures are reported in Schedule E.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school division, to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Recent accounting pronouncements

In January 2005, the Canadian Institute of Chartered Accountants issued new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards, effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2006. Section 3855 *Financial Instruments – Recognition and Measurement* establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Section 3861 *Financial Instruments – Disclosure and Presentation* discusses the presentation and disclosure of these items. The application of hedge accounting is covered in Section 3865 *Hedges*. Section 1530 *Comprehensive Income* establishes standards for reporting and displaying certain gains and losses, such as unrealized gains and losses related to hedges or other derivative instruments, outside of net income, in a statement of comprehensive income. Although the requirements of Section 1530 *Comprehensive Income* are not applicable for not-for-profit organizations, amendments to Section 4400 *Not-For-Profit Organizations* will require presentation of gains, losses, revenues and expenses arising from derivatives, hedges and other financial instruments as separate components of the change in net assets. There have also been numerous consequential amendments made to other Sections.

3. Accounts receivable

	2006	*2005*
Province of Alberta	**1,248,601**	2,332,085
Federal Government	**185,303**	336,075
Alberta Municipalities	**976,583**	828,324
Other	**620,711**	429,631
	3,031,198	3,926,115

4. Trust assets

These balances represent cash that is held in trust by the jurisdiction.

	2006	*2005*
Deferred Salary Leave Plan	**29,569**	-
Scholarship Trusts	**85,033**	85,405
Urban School Insurance Trust	**160,289**	174,976
	274,891	260,381

5. Property, plant and equipment

Property, plant and equipment includes assets under capital lease with a cost of $628,648 (2005 - $628,648), and accumulated amortization of $150,876 (2005 - $125,730).

6. Bank indebtedness

The School Division has negotiated a line of credit in the amount of $2,000,000 (2005 - $2,000,000) that bears interest at the bank prime rate less 0.6%. The line of credit, which is secured by a borrowing resolution incorporating a first charge over all monies becoming due or payable to the borrower, including municipal levies, covering all revenue of the School Division. There was no balance outstanding on the line of credit at August 31, 2006 (2005 - $0).

7. Accounts payable and accrued liabilities

	2006	*2005*
Province of Alberta	**932,152**	1,039,517
Alberta Municipalities	**9,942**	7,724
Other trade payables and accrued liabilities	**1,989,785**	1,683,630
	2,931,879	2,730,871

8. Deferred revenue

	2006	*2005*
2006-2007 Registrations	**70,170**	38,383
Central Alberta Tech Prep	**195,651**	172,501
Infrastructure Maintenance Program (from AI&T)	**71,421**	97,305
Other	**37,840**	73,440
	375,082	381,629

9. Employee future benefits

Employee future benefits liability

	2006	*2005*
Educational subsidy surplus	**31,432**	13,462
Personal professional development fund	**89,659**	0
Severance liability	**200,700**	141,400
Vacation accrual	**75,812**	55,174
Retirement allowance	**29,492**	31,733
Defined benefit pension plan liability	**184,498**	76,757
	611,593	318,526

The total expense recorded in the financial statements is $293,067 (2005 - $96,428).

Defined contribution plan

The expense for the defined contribution pension plan is equivalent to the annual contributions of $108,978 (2005 - $88,267) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 - deficiency of $1,288,924,000).

Defined benefit pension plan

The School Division's unfunded defined benefit pension plan provides non-indexed pension benefits at retirement to enhance the LAPP formula to a full 2% final average earnings formula.

The expense and obligations are determined in accordance with Canadian GAAP and actuarial principles. Obligations are based on the projected benefits method of valuation that includes employee service to date and present pay levels, as well as a projection of salaries and service to retirement.

Total cash payments for pension for 2006, consisting of cash contributed by the School Division to its funded pension plans, cash payments directly to the employees or their beneficiaries for its unfunded other benefit plans and cash contributed to its defined benefit plan were $0 (2005 - $0).

Benefits paid by pension plans were $0 ($0 - 2005).

Accrued benefit plan obligation

	2006	*2005*
Accrued benefit plan obligation, beginning of year	**186,900**	173,100
Accrual for services	**4,400**	4,200
Interest cost	**9,600**	11,500
Actuarial loss (gain) on accrued benefit plan obligation	**(24,800)**	(1,900)
Accrued benefit plan obligation, end of year	**176,100**	186,900

The School Division measures its accrued benefit obligations and fair value of plan assets for accounting purposes at August 31, 2006.

Reconciliation of funded status of the benefit plans to the amounts recorded in the financial statements

	2006	*2005*
Accrued benefit obligation	**(176,100)**	(186,900)
Balance of unamortized amounts	**(8,400)**	123,700
Accrued benefit liability	**(184,500)**	(63,200)

Elements of defined benefit costs recognized in the year

	2006	*2005*
Current service cost	**4,400**	4,200
Interest costs	**9,600**	11,500
Defined benefit costs recognized	**14,000**	15,700

Significant assumption

	2006	*2005*
Accrued benefit obligation discount	**5.50%**	-

10. Long-term debt

	2006	*2005*
The Division has issued debentures to the Alberta Municipal Finance Corporation at bearing interest at 7.63% to 12% (2005 - 7.63% to 12%), due November 1, 2006 to March 1, 2019 (2005 - October 1, 2005 to March 1, 2019) to finance the construction of school buildings having a carrying value of $9,456,442 (2005 - $11,129,192)	**3,394,897**	4,157,292
Less: current portion	**730,091**	762,395
	2,664,806	3,394,897

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2007	730,091
2008	654,091
2009	586,316
2010	445,170
2011	356,515

11. Capital lease obligation

	2006	*2005*
Capital lease bearing interest at the Scotia Leasing Five Year Base Rate, currently 6.39% (2005 - 6.39%) plus 1.25% payable in monthly installments of $7,511 including interest until August 2010, secured by related equipment having a carrying value of $452,627 (2005 - $502,918)	**309,805**	373,592
Less: current portion	**68,837**	63,787
	240,968	309,805

Minimum lease payments related to the obligation under capital lease are as follows:

2007	90,137
2008	90,137
2009	90,137
2010	90,137
	360,548
Less: imputed interest	(50,743)
	309,805
Less: current portion	(68,837)
	240,968

12. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations expended, as well as fully-supported debenture principal repayments.

13. Deferred capital allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdiction, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at this time that the balance is transferred to the unamortized capital allocations account.

14. Lease commitments

The School Division has entered into various lease agreements with estimated minimum annual payments as follows:

2007	917,106
2008	191,502
2009	107,017
2010	400,641
2011	149,220

15. Economic dependence

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

16. Contingencies

The School Division has been named as respondent in a human rights complaint on behalf of a former non-teaching staff member. This complaint remains at an early stage, and as the complaint is subject to many uncertainties, it is not possible to predict the ultimate outcome of this complaint or to estimate the loss, if any, which may result. The School Division's insurers have been advised of this complaint and are cooperating with the School Division in the defence of this claim subject to policy deductibles, limits, and terms and conditions.

17. Related party transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to the criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of the school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Red Deer Catholic School Division had related party transactions for the year ended August 31, 2006 with the following entities, recorded at the exchange amount which is the amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta: Education	204,108	932,152	45,979,538	220,370
Infrastructure & Transportation	1,044,493	0	107,116	0
Finance	0	0	395,386	0
Human Resources	0	0	292,361	0
Other Gov't Alberta departments	0	0	0	1,533
Other: Health authorities	0	0	0	11,203
Other Alberta school jurisdictions	111,807	167,760	111,082	1,021,154
Post secondary institutions	0	503	5,000	28,528
TOTAL 2005-2006	$1,360,408	$4,659,754	$46,890,483	$1,282,788
TOTAL 2004-2005	$2,399,137	$5,703,145	$43,363,087	$665,949

18. Financial instruments

The School Division, as part of its operations, has a number of financial instruments. It is management's opinion that the School Division is not exposed to significant currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Board has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustee Act.

Fair value disclosure

The carrying amount of cash and temporary investments, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the short-term maturities of these items.

The carrying value of the School Division's capital lease obligations approximates its fair value, because interest charges under the terms of the lease are based upon current Scotia Lease lending rates.

The fair value of the School Division's long-term financial instruments is estimated using discounted cash flow analysis based on current market rates for such instruments with similar terms and risks. Based on these assumptions, the fair values as at August 31, 2006 of these long-term financial instruments are as follows:

	Carrying Amount		Fair Value	
	2006	2005	2006	2005
Long-term debt	$3,394,897	$4,157,292	$3,848,335	$5,255,867

Fair values are based on management's best estimates after consideration of current market conditions. The estimates are subjective and involve considerable judgment, and as such are not necessarily indicative of the amounts that the School Division may incur in actual market transactions.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the School Division manages exposure through its normal operating and financing activities. The School Division is exposed to interest rate risk primarily through its long-term debt of $3,394,897 (2005 - $4,157,292) and its capital lease obligations of $309,805 (2005 - $373,592).

Credit concentration

Accounts receivable from the provincial government in connection with grant revenue represents 41% (2005 - 59%) of total accounts receivable as at August 31, 2006. The jurisdiction believes that there is minimal risk associated with the collection of these amounts. The jurisdiction performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

19. Budgeted amounts

The budget was prepared by the School Division and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 19

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$45,979,538	$37,093,452	$4,583,228	$2,501,536	$1,750,000	$51,322
(2) **Alberta Infrastructure & Transportation**	$107,116	$0	$107,116			
(3) **Alberta Finance**	$395,386		$395,386			$0
(4) **Other - Government of Alberta**	$292,361	$0	$0	$0	$0	$292,361
(5) **Federal Government and/or First Nations**	$93,545	$93,545	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$116,082	$41,818	$0	$0	$0	$74,264
(7) **Out of province authorities**	$52,875	$52,875	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$552,308	$552,308				
(10) **Transportation fees**	$43,031			$43,031		
(11) **Other sales and services**	$449,139	$120,759	$70,987	$206,262	$33,681	$17,450
(12) **Investment income**	$206,241	$0	$50,000	$120,000	$36,241	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$61,422	$12,963	$3,034	$0	$45,425	$0
(15) **Net school generated funds**	$150,166	$150,166			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$2,352,084	$229,302	$2,122,782	$0		$0
(18) **TOTAL REVENUES**	$50,851,294	$38,347,188	$7,332,533	$2,870,829	$1,865,347	$435,397
EXPENSES						
(19) **Certificated salaries**	$24,776,004	$24,518,643			$257,205	$156
(20) **Certificated benefits**	$3,426,256	$3,390,041			$36,215	$0
(21) **Uncertificated salaries and wages**	$6,771,883	$4,192,229	$825,021	$987,735	$701,737	$65,161
(22) **Uncertificated benefits**	$1,582,312	$1,007,533	$173,231	$95,493	$287,617	$18,438
(23) **SUB - TOTAL**	$36,556,455	$33,108,446	$998,252	$1,083,228	$1,282,774	$83,755
(24) **Services, contracts & supplies**	$10,451,890	$4,414,497	$3,520,136	$1,657,702	$507,913	$351,642
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$150,166	$150,166				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$2,352,084	$229,302	$2,122,782	$0	$0	$0
(28) Unsupported	$303,318	$123,175	$85,344	$48,530	$46,269	$0
(29) Total Amortization	$2,655,402	$352,477	$2,208,126	$48,530	$46,269	$0
Interest on capital debt						
(30) Supported	$395,386	$0	$395,386	$0	$0	$0
(31) Unsupported	$26,928	$0	$26,928	$0	$0	$0
(32) Other interest charges	$7,010	$5,616	$1,394	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$50,243,237	$38,031,202	$7,150,222	$2,789,460	$1,836,956	$435,397
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$608,057	$315,986	$182,311	$81,369	$28,391	$0

School Jurisdiction Code: 19

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,628,150
Base Instruction (Gr 1-12)	$28,409,812
Outreach Programs	$52,020
Home Education	$0
Differential Cost Funding *	$12,777,371
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$57,816
Provincial Priority Targeted Funding	
Class Size Initiative	$1,374,280
Student Health Initiative (SHI)	$93,036
Alberta Initiative for School Improvement (AISI)	$705,313
High Speed Networking	$83,682
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$562,683
Other Alberta Education Revenues (describe): Technology project,Textbooks	$235,375
Total Alberta Education Revenues	$45,979,538

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 19

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$3,263,324	$2,089,007	$564,735		$0	$0	$5,917,066
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$2,061,801	$327,786	$106,465		$0		$2,496,052
ECS Program Unit (PUF)	$241	$210,703	$118,436		$0		$329,380
Severe Disabilities (Gr 1-12)	$1,351,908	$1,649,094	$356,188		$0		$3,357,190
English as a Second Language	$69,247	$42,471	$5,791		$0		$117,509
French Language Program & Francisation (all jurisdictions)	$0	$0	$74,435		$0		$74,435
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$3,954	$80,000		$0		$83,954
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$498,880	$131,353	$68,931	$6,148	$0		$705,312
Student Health Initiative	$0	$58,651	$34,385		$0		$93,036
High Speed Networking			$125,214		$0		$125,214
Class Size	$1,381,975	$0	$0	$0	$0		$1,381,975
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$19,281,308	$686,743	$2,451,087	$422,682	$0	$508,259	$23,350,079
TOTAL EXPENSES	$27,908,684	$5,199,762	$3,985,667	$428,830	$0	$508,259	$38,031,202

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	27.7	9.8
ECS Program Unit (PUF)	0.0	6.3
Severe Disabilities (Gr 1-12)	18.2	49.2

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 19

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$50,243,237**
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		**4.20%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,112,226
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	5,592	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,112,226**
Less: 2005/2006 Board and System Administration expenses		-$1,836,956
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$275,270

School Jurisdiction Code: 19

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$651,373
Source of Net School Generated Funds:				
Fundraising activities	$777,390	$361,919	$415,471	
Student fees (Non-Instructional) (Note 2)	$714,221	$132,119	$582,102	
Donations and grants to schools	$206,437	$0	$206,437	
Other (describe):	$190,839	$10,269	$180,570	
Net Additions to SGF	$1,888,886	$504,306		$1,384,580
Net SGF Available for Spending				$2,035,953
Application of Net School Generated Funds:				
Extra-curricular activities			$850,999	
School site beautification			$65,844	
Field Trips			$57,142	
Equipment			$25,264	
Family literacy and other community resources			$4,525	
Other (describe):			$230,639	
Net SGF Expended (Note 3)				$1,234,413
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$801,540

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 19

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$659,949	$0	$0	$165,072	$825,021		$825,021
Uncertificated benefits	$0	$141,000	$0	$0	$32,231	$173,231		$173,231
Sub-total Remuneration	$0	$800,949	$0	$0	$197,303	$998,252		$998,252
Contracted Services	$1,103,553	$439,454	$0	$556,204	$0	$2,099,211		$2,099,211
Supplies	$0	$338,162	$0	$0	$0	$338,162		$338,162
Electricity			$598,233			$598,233		$598,233
Natural Gas/Heating Fuel			$348,271			$348,271		$348,271
Sewer and Water			$63,988			$63,988		$63,988
Telecommunications			$16,334			$16,334		$16,334
Insurance					$55,937	$55,937		$55,937
Amortization of capital assets								
Supported							$2,122,782	$2,122,782
Unsupported						$85,344		$85,344
Total Amortization						$85,344	$2,122,782	$2,208,126
Interest on capital debt								
Supported							$395,386	$395,386
Unsupported				$0		$26,928		$26,928
Other interest charges						$1,394		$1,394
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,103,553	$1,578,565	$1,026,826	$556,204	$253,240	$4,632,054	$2,518,168	$7,150,222
SQUARE METRES								
School Buildings								67,382.0
Non School Buildings								3,389.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety staindards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 19

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200(
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mr. Gord Bontje	1.0	$12,432	$4,406	$0			$16,838	$799
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Mrs. Elaine Halter	1.0	$11,519	$4,482	$0			$16,001	$1,185
Name	Mr. Steve Taylor	1.0	$10,750	$3,332	$0			$14,082	$2,260
Name	Mrs. Bev Heisler	1.0	$12,149	$4,506	$0			$16,655	$2,321
Name	Mrs. Christine Moore	1.0	$12,289	$4,516	$0			$16,805	$1,410
Name	Mr. Lloyd Baumgarten	1.0	$14,145	$2,640	$0			$16,785	$2,767
Name	Mr. Liam McNiff	1.0	$12,209	$3,392	$0			$15,601	$910
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$85,493*	*$27,274*	$0			*$112,767*	*$11,652*
Superintendent	Mr. Don Dolan	1.0	$136,899	$19,491	$0	$0	$0	$156,390	$13,604
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Mr. Richard Domstauder	1.0	$118,720	$32,411	$0	$0	$0	$151,131	$4,904
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		351.5	$24,526,005	$3,406,765	$0	$0	$113,100	$28,045,870	
Uncertificated Salaries & Wages		397.0	$6,567,670	$1,522,627	$0	$0	$0	$8,090,297	
TOTALS			**$31,434,787**	**$5,008,568**	**$0**	**$0**	**$113,100**	**$36,556,455**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 3070

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The Board of Trustees of the Red Deer Public School District No. 104
Legal Name of School Jurisdiction

4747 53rd Street, Red Deer, Alberta T4N 2E6
Mailing Address

403-343-1405 (ph) 403-347-8190 (fax)
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules The Board of Trustees of the Red Deer Public School District No. 104 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Name: Dr. W.K. Stuebing
Signature: "ORIGINAL SIGNED"

SUPERINTENDENT

Name: Mr. D. Falk
Signature: "ORIGINAL SIGNED"

SECRETARY TREASURER OR TREASURER

Name: Mrs. D. Beck
Signature: "ORIGINAL SIGNED"

22-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 3070

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AUDITORS' REPORT

To the Board of Trustees of
Red Deer Public School District No. 104

We have audited the statement of financial position of the Board of Trustees of the Red Deer Public School District No. 104 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Collins Barrow
Red Deer LLP

Red Deer, Alberta

November 3, 2006

Chartered Accountants

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School Jurisdiction Code: 3070

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$6,198,684	$7,248,197
Accounts receivable (net after allowances)		$3,070,478	$5,957,569
Prepaid expenses		$294,879	$270,931
Other current assets		$213,757	$229,467
Total current assets		$9,777,798	$13,706,164
School generated assets		$1,423,586	$1,196,554
Trust assets		$554,490	$513,559
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$1,416,015	$1,416,015
Buildings	$107,249,041		
Less: accumulated amortization	($40,288,582)	$66,960,459	$68,024,332
Equipment	$10,575,409		
Less: accumulated amortization	($8,600,700)	$1,974,709	$1,534,687
Vehicles	$1,136,397		
Less: accumulated amortization	($599,393)	$537,004	$439,715
Total capital assets		$70,888,187	$71,414,749
TOTAL ASSETS		$82,644,061	$86,831,026
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$3,019,966	$4,482,441
Deferred revenue		$1,662,551	$1,410,319
Deferred capital allocations		$791,402	$3,135,535
Current portion of all long term debt		$1,942,774	$2,126,089
Total current liabilities		$7,416,693	$11,154,384
School generated liabilities		$1,423,586	$1,196,554
Trust liabilities		$554,490	$513,559
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$11,935,007	$14,061,096
Less: Current portion of supported debt		($1,942,774)	($2,126,089)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$52,860,837	$52,007,171
Total long term liabilities		$64,831,146	$65,652,291
TOTAL LIABILITIES		$72,247,839	$76,806,675
NET ASSETS			
Unrestricted net assets		$57,440	$331,118
Operating Reserves		$4,004,648	$4,124,185
Accumulated Operating Surplus (Deficit)		$4,062,088	$4,455,303
Investment in capital assets		$6,092,341	$5,346,480
Capital Reserves		$241,792	$222,567
Total Capital Funds		$6,334,133	$5,569,047
Total net assets		$10,396,222	$10,024,351
TOTAL LIABILITIES AND NET ASSETS		$82,644,061	$86,831,026

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 3070

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$72,362,739	$70,486,042	$68,819,676
Federal Government and/or First Nations	$133,426	$104,000	$129,446
Other Alberta school authorities	$212,247	$270,000	$138,118
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$168,960	$0	$79,959
Instruction resource fees	$1,352,835	$1,600,600	$1,328,907
Transportation fees	$229,503	$171,100	$216,731
Other sales and services	$1,105,060	$939,000	$1,152,808
Investment income	$219,559	$75,000	$199,485
Gifts and donations	$177,635	$0	$79,237
Rentals of facilities	$86,813	$40,000	$64,554
Net school generated funds	$187,911	$125,000	$175,208
Gains on disposal of capital assets	$11,463	$0	$0
Amortization of capital allocations	$3,667,139	$2,441,129	$2,603,150
Total Revenues	$79,915,290	$76,251,871	$74,987,279
EXPENSES			
Certificated salaries	$39,731,301	$39,861,756	$38,111,191
Certificated benefits	$5,301,013	$5,638,800	$5,156,122
Uncertificated salaries and wages	$12,471,894	$11,377,167	$11,909,268
Uncertificated benefits	$2,079,690	$1,790,243	$1,951,989
Services, contracts and supplies	$14,409,833	$13,247,398	$14,271,556
Net school generated funds	$187,911	$125,000	$175,208
Capital and debt services			
Amortization of capital assets			
Supported	$3,667,139	$2,441,129	$2,603,150
Unsupported	$484,508	$450,620	$635,763
Total Amortization of capital assets	$4,151,647	$2,891,749	$3,238,913
Interest on capital debt			
Supported	$1,198,126	$1,319,758	$1,404,886
Unsupported	$12,004	$0	$0
Total Interest on capital debt	$1,210,130	$1,319,758	$1,404,886
Other interest charges	$0	$0	$11,690
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$79,543,419	$76,251,871	$76,230,823
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$371,871	$0	($1,243,544)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$371,871	$0	($1,243,544)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 3070

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$371,871	($1,243,544)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($3,667,139)	($2,603,150)
Total amortization expense	$4,151,647	$3,238,913
Gains on disposal of capital assets	($11,463)	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$2,887,091	($2,511,847)
Prepaids and other current assets	($8,238)	($13,424)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($1,462,475)	($974,948)
Deferred revenue	$252,232	$295,029
Employee future benefit expense (recovery)	$0	$0
Other (describe) dfrd IMR funding brought into revenue / asset disp	$58,810	$0
Total sources (uses) of cash from Operations	$2,572,336	($3,812,971)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($2,486,562)	($12,632,816)
Equipment	($988,887)	($382,192)
Vehicles	($239,905)	($83,463)
Net proceeds from disposal of capital assets		$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($3,715,354)	($13,098,471)
C. FINANCING ACTIVITIES		
Capital allocations	$93,505	$10,088,748
Issue of long term debt	$0	$0
Repayment of long term debt	($2,126,089)	($2,176,186)
Add back: supported portion	$2,126,089	$2,176,186
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$93,505	$10,088,748
Net sources (uses) of cash during year	($1,049,513)	($6,822,694)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$7,248,197	$14,070,891
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,198,684	$7,248,197

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 3070

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	**INVESTMENT IN CAPITAL ASSETS**	**UNRESTRICTED NET ASSETS**	**TOTAL INTERNALLY RESTRICTED NET ASSETS** Cols. 5 to 14	**INTERNALLY RESTRICTED NET ASSETS**									
					School Based		**Infrastructure**		**Board & System Admin.**		**Transportation**		**External Services**	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$10,024,351	$5,346,480	$331,118	$4,346,752	$2,781,164	$0	$552,202	$21,467	$540,819	$19,100	$250,000	$182,000	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$10,024,351	$5,346,480	$331,118	$4,346,752	$2,781,164	$0	$552,202	$21,467	$540,819	$19,100	$250,000	$182,000	$0	$0
Excess(def) of revenue over expenses	$371,871		$371,871											
Board funded capital transactions		$1,320,637	($1,320,637)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($4,151,647)	$4,151,647											
Amortization of capital allocations		$3,667,139	($3,667,139)											
Disposal of unsupported capital assets	$0	($90,268)	$90,268	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($874,173)	$874,173	$166,372		$400,000		$257,801		$50,000		$0	
Net transfers from operating reserves			$993,710	($993,710)	($564,752)		($28,958)		($400,000)		$0		$0	
Net transfers to capital reserves			($19,225)	$19,225		$0		$12,250		$6,975		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$10,396,222	$6,092,341	$57,440	$4,246,440	$2,382,784	$0	$923,244	$33,717	$398,620	$26,075	$300,000	$182,000	$0	$0

School Jurisdiction Code: 3070

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$3,135,535	$52,007,171
Prior period adjustment		$0
Adjusted balance, August 31, 2005	$3,135,535	$52,007,171
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$60,000	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$33,505	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$2,126,089
Expended capital allocations - current year	($2,437,638)	$2,437,638
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$42,922
Capital allocations amortized to revenue		$3,667,139
Balance at August 31, 2006	$791,402	$52,860,837

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* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The Board of Trustees of the Red Deer Public School District No. 104 ("the jurisdiction") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The jurisdiction is limited on certain funding allocations and administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they are related.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations represent externally restricted supported capital funds and are recorded as deferred capital allocations until the amount is invested in capital assets. Amounts invested in capital assets are then transferred to unamortized capital allocations. Unamortized capital allocations are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded. The related portion of amortization expense and the deferred capital contribution revenues are matched to indicate that the related amortization expense has been funded.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds to be retained as net assets are recorded as direct increases to trust assets and liabilities.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: amortization of capital assets and unamortized capital allocations. Actual results may differ from management's best estimates as additional information becomes available in the future.

Cash and Cash Equivalents

Cash and temporary investments includes cash and temporary investments with maturities of three months or less and bank indebtedness that is utilized periodically for day to day operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Inventories (included in other current assets)

Inventories are valued at the lower of cost and net realizable value. Cost is determined on an average cost basis.

School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the jurisdiction. These are funds in the community, which come under the control and responsibility of the school principals and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level. Sources and application of school generated funds are reported in Schedule E of the financial statements.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Only costs in excess of $5,000 are capitalized. No amortization is taken in the year of acquisition.

Vacation Pay

Vacation pay is recorded in the period in which the employee earns the benefit.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Contributed Services

Volunteers assist schools operated by the School District in carrying out certain activities. Because of the difficulty in determining fair value and the fact such assistance is not otherwise purchased; contributed services are not recognized in the financial statements.

Employee Future Benefits

The jurisdiction participates in the Local Authorities Pension Plan (LAPP). This pension plan is a multi-employer defined benefit pension plan that provides pensions for the jurisdiction's participating employees, based on years of service and earnings. The jurisdictions portion of LAPP's deficit is not recorded.

The jurisdiction also participates in a Supplemental Integrated Pension Plan (SiPP) for certain employees of the jurisdiction. The plan supplements the benefits received under the LAPP in Alberta. The plan is a defined benefit plan, and consists of a registered and non-registered component. Both components provide benefits based on years of service and earnings. The registered component of the plan is responsible for any plan deficits. The unregistered component is unfunded and the liability is determined by an actuarial valuation using estimates described in note 15.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Future Benefits (continued)

Pension costs are disclosed as a part of the certified and uncertified benefits and are comprised of the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the LAPP and SiPP.

Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt.

The fair value of these financial instruments, except long-term debt, approximates their carrying values. Fair value of long-term debt is not disclosed since the repayment of principle and interest is supported by Alberta Education.

It is management's opinion that the jurisdiction is not exposed to significant price, credit, liquidity or cash flow risks arising from these financial instruments except as follows:

The school jurisdiction is exposed to credit risk as it grants credit to its customers/parents in the normal course of business. To mitigate this risk the jurisdiction regularly reviews its accounts receivable list. Credit risk is the risk that the jurisdiction will incur a financial loss because a customer/parent has failed to discharge an obligation.

The school jurisdiction is exposed to interest rate price risk as the long-term debt bears interest at fixed rates. This risk is mitigated as the long-term debt is fully supported by Alberta Finance. Interest rate price risk is the risk that the value of the long-term debt will fluctuate due to changes in market interest rates.

3. ACCOUNTS RECEIVABLE

	2006	2005
Province of Alberta	**$ 2,792,724**	$ 5,376,547
Federal Government	**166,978**	334,276
Other	**110,776**	246,745
	$ 3,070,478	$ 5,957,569

4. TRUST ASSETS

	2006	2005
Deferred salary leave plan	**$ 536,972**	$ 487,034
Deferred salary retirement plan	**17,518**	26,525
	$ 554,490	$ 513,559

5. BANK INDEBTEDNESS

The School District maintains a revolving credit facility with an authorized limit of $4,000,000 bearing interest at prime less 1/2% (prime is currently 6.00%). Collateral is provided by a general assignment of book debts. There was no balance outstanding on the revolving credit facility at August 31, 2006.

THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL DISTRICT NO. 104

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2006

6. ACCOUNTS PAYABLE

	2006	2005
Province of Alberta	**$ 836,126**	$ 1,094,348
Federal Government	**2,054**	662
Alberta Municipalities	**1,761**	3,958
Other Alberta School Jurisdictions	**9,099**	1,026
Other trade payables and accrued liabilities	**2,170,926**	3,382,487
	$ 3,019,966	$ 4,482,441

7. DEFERRED REVENUE

	2006	2005
External programs	**$ 1,186,432**	$ 724,904
Other	**476,119**	685,415
	$ 1,662,551	$ 1,410,319

8. LONG-TERM DEBT

	2006	2005
Supported debentures with initial term of 20 years maturing 2006 to 2015, with interest rates varying between 7 1/2% and 12% repayable in annual installments of principal and interest. The debenture debt is fully supported by Alberta Finance.	**$ 11,935,007**	$ 14,061,096
Less amount due within one year	**1,942,774**	2,126,089
	$ 9,992,233	$ 11,935,007

The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

Principal repayments estimated for the next five years are as follows:

2007	**$ 1,942,774**
2008	**1,741,349**
2009	**1,652,231**
2010	**1,576,963**
2011	**1,426,733**
Subsequent	**3,594,957**
	$ 11,935,007

9. STATEMENT OF CASH FLOWS

Included in cash flows from operations is $1,319,758 (2005 - $1,542,493) paid for interest and interest on capital debt.

10. CONTINGENCY

The jurisdiction is a member of Urban Schools Insurance Consortium. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims.

11. COMMITMENTS

Deferred Capital Allocations

Included in deferred capital allocations at August 31, 2005 was $596,743 (2005 - $2,538,016) for the Lindsay Thurber Composite High School Modernization Project, $105,337 (2005 - $120,615) for Eastview Middle School upgrades and $89,321 (2005 - $476,906) for other capital projects in the district. The jurisdiction is committed to use these externally restricted funds on the capital projects designated when the funds were received.

Leases

The jurisdiction is committed to payments on photocopier leases expiring from October 2005 to November 2010. Estimated lease obligation payments for the next four years are as follows:

2007	**$ 250,715**
2008	**250,715**
2009	**250,715**
2010	**42,464**
	$ 794,609

12. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Red Deer Public School District's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

13. BUDGET

The Board of Trustees approved the 2005/2006 budget on May 30, 2006. It is presented for informative purposes only and has not been audited.

THE BOARD OF TRUSTEES OF THE RED DEER PUBLIC SCHOOL DISTRICT NO. 104

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2006

14. RELATED PARTY TRANSACTIONS

School jurisdictions are related with the Government of Alberta. All transactions between the jurisdiction and the Government of Alberta are disclosed in these financial statements as follows:

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Education	$ 20,065	$ 15,000	$ 71,489,796	$ 212,777
Infrastructure & Transportation	1,519,782		91,893	
Finance		11,936,025	1,198,126	4,499
Health & Wellness		55,880	304,004	
Other Gov't of Alberta departments	1,762	697,564	249,968	1,895
Health Authorities		59,457		1,425
Post secondary institutions	89	1,397		8,244
Other Alberta School Jurisdictions	18,381	5,811	134,387	69,389
Other related parties			3,860	
Total 2005-2006	$ 1,560,079	$ 12,771,134	$ 73,472,033	$ 297,630
Total 2004-2005	$ 5,451,599	$ 6,359,962	$ 69,087,240	$ 94,086

Asset balances included above are included in accounts receivable. Liabilities consist of $836,121 included in accounts payable and $11,935,007 in debenture debt. Principle and interest charges for the year are fully supported by Alberta Education.

Revenue and expense transactions were incurred in the normal course of operations and are recorded at the exchange amount which is the amount agreed to and paid by the related parties.

15. EMPLOYEE FUTURE BENEFITS

The pension expense recorded in these financial statements for the Local Authorities Pension Plan is equivalent to the jurisdiction's annual contributions of $885,083 for the year ended August 31, 2006 (2005 - $784,411).

At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000). Contribution rates were increased by 0.77% on January 1, 2006.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the jurisdiction does not make pension contributions for certificated staff.

The pension expense recorded in these financial statements for the Supplemental Integrated Pension Plan (SiPP) is $44,546. (2005 - $152,809)

15. EMPLOYEE FUTURE BENEFITS (Continued)

The accrued benefit obligation for the non-registered component of SiPP at August 31, 2006 is $80,600 (2005 – $42,600). The obligation has not been recorded in these financial statements. The jurisdiction has set aside assets to cover the obligation of $113,854 which are not recorded in these financial statements. The benefit was calculated using the projected accrued benefit cost method with pro-ration of service. The actuarial assumptions used in calculating this benefit are as follows:

Expected average remaining service life	12 years
Assumed discount rate on liabilities	5.5%
Weighted average expected increase in salaries	3.5%
Retirement age	60 years

Yearly Maximum Pensionable Earnings of $42,100 for 2006 ($41,100 - 2005) is estimated to increase by 3% per year.

The plan is a defined benefit plan. Yearly benefits will be calculated as 1.4% of the participant's final average earnings up to the average yearly maximum pensionable earnings, plus 2.0% of the participant's final average earnings in excess of the average yearly maximum pensionable earnings adjusted for early retirement and pensionable service time.

The retirement benefit cost to the district for 2006 is $38,000 (2005 - $42,600).

16. APPROVAL OF FINANCIAL STATEMENTS

The Board of Trustees approved these financial statements on November 22, 2006.

SCHEDULE A to the AFS

School Jurisdiction Cod 3070

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	$70,544,609	$57,542,754	$8,042,791	$2,197,939	$2,209,421	$551,704
(2) Alberta Infrastructure & Transportation	$91,893	$0	$91,893			
(3) Alberta Finance	$1,198,126		$1,198,126			$0
(4) Other - Government of Alberta	$528,111	$125,079	$0	$0	$84,333	$318,699
(5) Federal Government and/or First Nations	$133,426	$133,426	$0	$0	$0	$0
(6) Other Alberta school authorities	$212,247	$111,167	$0	$27,080	$0	$74,000
(7) Out of province authorities	$0	$0	$0	$0	$0	$0
(8) Alberta municipalities (excl. supplementary requisitions)	$168,960	$21,828	$121,846	$0	$0	$25,286
(9) Instruction resource fees	$1,352,835	$1,352,835				
(10) Transportation fees	$229,503			$229,503		
(11) Other sales and services	$1,105,060	$887,125	$0	$0	$0	$217,935
(12) Investment income	$219,559	$210,777	$0	$0	$8,782	$0
(13) Gifts and donations	$177,635	$177,635	$0	$0		$0
(14) Rentals of facilities	$86,813	$79,838		$0	$6,975	$0
(15) Net school generated funds	$187,911	$187,911			$0	
(16) Gains on disposal of capital assets	$11,463	$11,463	$0	$0	$0	$0
(17) Amortization of capital allocations	$3,667,139	$0	$3,667,139	$0		$0
(18) TOTAL REVENUES	$79,915,290	$60,841,838	$13,121,795	$2,454,522	$2,309,511	$1,187,624
EXPENSES						
(19) Certificated salaries	$39,731,301	$39,260,241			$430,996	$40,064
(20) Certificated benefits	$5,301,013	$5,208,362			$85,109	$7,542
(21) Uncertificated salaries and wages	$12,471,894	$8,616,488	$2,533,422	$101,443	$737,717	$482,824
(22) Uncertificated benefits	$2,079,690	$1,275,537	$550,467	$17,121	$145,677	$90,888
(23) SUB - TOTAL	$59,583,898	$54,360,628	$3,083,889	$118,564	$1,399,499	$621,318
(24) Services, contracts & supplies	$14,409,833	$6,489,495	$4,984,071	$1,871,137	$498,824	$566,306
(25) Cost recoveries between programs	$0	$0	$0	$0	$0	$0
(26) Net school generated funds	$187,911	$187,911				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$3,667,139	$0	$3,667,139	$0	$0	$0
(28) Unsupported	$484,508	$226,499	$217,528	$5,220	$35,261	$0
(29) Total Amortization	$4,151,647	$226,499	$3,884,667	$5,220	$35,261	$0
Interest on capital debt						
(30) Supported	$1,198,126	$0	$1,198,126	$0	$0	$0
(31) Unsupported	$12,004	$8,434	$0	$0	$3,570	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) TOTAL EXPENSES	$79,543,419	$61,272,967	$13,150,753	$1,994,921	$1,937,154	$1,187,624
(35) EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM	$371,871	($431,129)	($28,958)	$459,601	$372,357	$0

School Jurisdiction Code: 3070

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,636,176
Base Instruction (Gr 1-12)	$44,386,457
Outreach Programs	$104,040
Home Education	$1,272
Differential Cost Funding *	$18,400,941
Other Provincial Support	
Institutional Programs	$492,862
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$551,704
Learning Resources Credit Allocation	$67,267
Provincial Priority Targeted Funding	
Class Size Initiative	$2,029,863
Student Health Initiative (SHI)	$217,000
Alberta Initiative for School Improvement (AISI)	$1,172,638
High Speed Networking	$178,970
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$1,201,514
Other Alberta Education Revenues (describe): One Time Grant, Class Size Reduction	$103,905
Total Alberta Education Revenues	$70,544,609

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 3070

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$36,448,754	$4,049,858	$4,972,001		$0	$440,728	$45,911,341
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$2,139,106	$1,057,021	$98,710		$0		$3,294,837
ECS Program Unit (PUF)	$34,894	$856,440	$225,437		$0		$1,116,771
Severe Disabilities (Gr 1-12)	$1,683,708	$3,411,572	$533,365		$0		$5,628,645
English as a Second Language	$93,328	$0	$0		$0		$93,328
French Language Program & Francisation (all jurisdictions)	$112,165	$0	$0		$0		$112,165
First Nations, Metis and Inuit Education (ECS - Gr 12)	$218,246	$103,281	$65,987		$0		$387,514
Home Education	$0	$0	$1,272		$0		$1,272
Institutional Programs	$431,995	$223,363	$50,204		$0		$705,562
Alberta Initiative for School Improvement	$1,172,638	$0	$0	$0	$0		$1,172,638
Student Health Initiative	$0	$190,490	$26,510		$0		$217,000
High Speed Networking			$178,970		$0		$178,970
Class Size	$2,133,768	$0	$0	$0	$0		$2,133,768
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$0	$0	$0	$337,039	$0	$0	$319,156
TOTAL EXPENSES	$44,468,602	$9,892,025	$6,152,456	$337,039	$0	$440,728	$61,272,967

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	23.8	29.5
ECS Program Unit (PUF)	1.0	22.8
Severe Disabilities (Gr 1-12)	17.0	94.7

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 3070

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$79,543,419**
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		**4.00%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$3,181,737
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$3,181,737**
Less: 2005/2006 Board and System Administration expenses		-$1,937,154
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$1,244,583

School Jurisdiction Code: 3070

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$1,196,554
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$281,799	$200,870	$80,929	
Student fees (Non-Instructional) (Note 2)	$1,056,466	$1,032,085	$24,381	
Donations and grants to schools	$131,633	$0	$131,633	
Other (describe):	$1,368,782	$1,190,782	$178,000	
Net Additions to SGF	$2,838,680	$2,423,737		$414,943
Net SGF Available for Spending				$1,611,497
Application of Net School Generated Funds:				
Extra-curricular activities			$0	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe): awards, Young Writer's Conference, student incentives, Artist in Residence			$187,911	
Net SGF Expended (Note 3)				$187,911
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$1,423,586

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 3070

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,807,891	$535,739	$0	$0	$189,792	$2,533,422		$2,533,422
Uncertificated benefits	$392,822	$116,407	$0	$0	$41,238	$550,467		$550,467
Sub-total Remuneration	$2,200,713	$652,146	$0	$0	$231,030	$3,083,889		$3,083,889
Contracted Services	$0	$0	$0	$0	$0	$0		$0
Supplies	$226,154	$1,678,262	$65,886	$1,201,514	$20,709	$3,192,525		$3,192,525
Electricity			$873,287			$873,287		$873,287
Natural Gas/Heating Fuel			$752,494			$752,494		$752,494
Sewer and Water			$98,608			$98,608		$98,608
Telecommunications			$8,968			$8,968		$8,968
Insurance					$58,189	$58,189		$58,189
Amortization of capital assets								
Supported							$3,667,139	$3,667,139
Unsupported						$217,528		$217,528
Total Amortization						$217,528	$3,667,139	$3,884,667
Interest on capital debt								
Supported							$1,198,126	$1,198,126
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$2,426,867	$2,330,408	$1,799,243	$1,201,514	$309,928	$8,285,488	$4,865,265	$13,150,753
SQUARE METRES								
School Buildings								105,876.5
Non School Buildings								3,252.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 3070

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200(
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Dr. W.K. Stuebing	1.0	$14,641	$4,086	$0			$18,727	$2,351
Name		0.0		$0	$0			$0	$0
Other Board Members:									
Name	G. Holland	1.0	$10,309	$1,848	$0			$12,157	$1,341
Name	L. Lee	1.0	$10,969	$3,824	$0			$14,793	$4,281
Name	B. Manning	1.0	$11,968	$4,565	$0			$16,533	$1,790
Name	J. Watters	1.0	$10,896	$4,466	$0			$15,362	$2,589
Name	D. Lemke	1.0	$11,420	$4,384	$0			$15,804	$3,524
Name	D. Macaulay	1.0	$11,116	$4,466	$0			$15,582	$4,301
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$81,319*	*$27,639*	*$0*			*$108,958*	*$20,177*
Superintendent	Mr. D. Falk	1.0	$144,705	$20,019	$0	$0	$0	$164,724	$0
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Mrs. D. Beck	1.0	$117,169	$26,781	$0	$0	$0	$143,950	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		539.6	$39,586,595	$5,282,150	$0	$0	$0	$44,868,745	
Uncertificated Salaries & Wages		343.8	$12,273,407	$2,024,112	$0	$0	$0	$14,297,519	
TOTALS			**$52,203,195**	**$7,380,701**	**$0**	**$0**	**$0**	**$59,583,896**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1190

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Rocky View School Division No.41
Legal Name of School Jurisdiction

2651 Chinook Winds Drive SW, Airdrie AB, T4B 0B4
Mailing Address

403-945-4000 403-945-4001
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Rocky View School Division No.41
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Trudy Hauser	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT	
Mel Sly	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER	
Darrell Couture	"ORIGINAL SIGNED"
Name	**Signature**

23-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jerry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1190

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Deloitte.

Deloitte & Touche LLP
3000 Scotia Centre
700 Second Street S.W.
Calgary AB T2P 0S7
Canada
Tel: (403) 267-1700
Fax: (403) 264-2871
www.deloitte.ca

AUDITORS' REPORT

To the Board of Trustees of
Rocky View School Division No. 41:

We have audited the statement of financial position of **Rocky View School Division No. 41** (the "Jurisdiction") as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Jurisdiction as at August 31, 2006 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

Calgary, Alberta
November 3, 2006

Chartered Accountants

School Jurisdiction Code: 1190

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$12,805,123	$19,914,189
Accounts receivable (net after allowances)		$4,184,788	$3,449,722
Prepaid expenses		$193,060	$241,687
Other current assets		$57,516	$86,334
Total current assets		$17,240,487	$23,691,932
School generated assets		$2,712,284	$2,535,384
Trust assets		$1,857,245	$1,299,971
Long term accounts receivable		$7,635	$9,527
Long term investments		$0	
Capital assets			
Land		$1,900,210	$1,155,972
Buildings	$198,666,923		
Less: accumulated amortization	($66,565,705)	$132,101,218	$115,543,059
Equipment	$14,272,925		
Less: accumulated amortization	($11,230,828)	$3,042,097	$2,509,719
Vehicles	$795,983		
Less: accumulated amortization	($543,666)	$252,317	$210,618
Total capital assets		$137,295,842	$119,419,368
TOTAL ASSETS		$159,113,493	$146,956,182
LIABILITIES			
Current liabilities			
Bank indebtedness		$131,151	$390,523
Accounts payable and accrued liabilities		$10,071,275	$8,084,140
Deferred revenue		$1,645,364	$1,692,176
Deferred capital allocations		$3,303,752	$584,779
Current portion of all long term debt		$2,958,034	$3,006,038
Total current liabilities		$18,109,576	$13,757,656
School generated liabilities		$2,712,284	$2,535,384
Trust liabilities		$1,857,245	$1,299,971
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$14,717,283	$17,570,321
Less: Current portion of supported debt		($2,802,444)	($2,857,742)
Unsupported: Debentures and Capital Loans		$4,508,982	$4,657,282
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($155,590)	($148,296)
Other long term liabilities		$0	
Unamortized capital allocations		$102,100,177	$92,697,394
Total long term liabilities		$122,937,937	$115,754,315
TOTAL LIABILITIES		$141,047,513	$129,511,971
NET ASSETS			
Unrestricted net assets		$1	($70,575)
Operating Reserves		$1,269,005	$5,849,838
Accumulated Operating Surplus (Deficit)		$1,269,006	$5,779,263
Investment in capital assets		$15,969,397	$9,140,293
Capital Reserves		$827,577	$2,524,655
Total Capital Funds		$16,796,974	$11,664,948
Total net assets		$18,065,980	$17,444,211
TOTAL LIABILITIES AND NET ASSETS		$159,113,493	$146,956,182

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1190

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006 See Note 15	Actual 2005
REVENUES			
Government of Alberta	$112,052,124	$106,984,988	$105,632,562
Federal Government and/or First Nations	$731,464	$628,601	$613,519
Other Alberta school authorities	$206,968	$200,000	$523,757
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$32,660	$0	$61,052
Instruction resource fees	$1,810,112	$1,920,000	$1,783,262
Transportation fees	$776,216	$800,000	$757,017
Other sales and services	$102,836	$856,600	$1,201,929
Investment income	$538,251	$200,000	$521,464
Gifts and donations	$0	$0	$0
Rentals of facilities	$422,961	$494,200	$403,926
Net school generated funds	$3,301,988	$1,000,000	$2,754,080
Gains on disposal of capital assets	$8,269	$0	$906,543
Amortization of capital allocations	$8,485,358	$6,000,000	$7,814,999
Total Revenues	$128,469,207	$119,084,389	$122,974,110
EXPENSES			
Certificated salaries	$60,815,919	$54,214,232	$58,262,324
Certificated benefits	$6,767,860	$5,373,447	$6,545,482
Uncertificated salaries and wages	$17,477,110	$17,045,679	$16,751,263
Uncertificated benefits	$3,861,288	$4,315,700	$3,551,902
Services, contracts and supplies	$24,721,688	$28,524,989	$24,461,508
Net school generated funds	$3,301,988	$1,000,000	$2,754,080
Capital and debt services			
Amortization of capital assets			
Supported	$8,485,358	$6,000,000	$7,814,999
Unsupported	$427,794	$600,000	$381,620
Total Amortization of capital assets	$8,913,152	$6,600,000	$8,196,619
Interest on capital debt			
Supported	$1,758,659	$1,760,000	$2,072,388
Unsupported	$228,046	$373,342	$116,097
Total Interest on capital debt	$1,986,705	$2,133,342	$2,188,485
Other interest charges	$1,728	$10,000	$5,337
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$127,847,438	$119,217,389	$122,717,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$621,769	($133,000)	$257,110
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$621,769	($133,000)	$257,110

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1190

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$621,769	$257,110
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($8,485,358)	($7,814,999)
Total amortization expense	$8,913,152	$8,196,619
Gains on disposal of capital assets	($8,269)	($906,543)
Losses on disposal of capital assets	$0	
Changes in accrued accounts:		
Accounts receivable	($735,066)	$1,013,904
Prepaids and other current assets	$77,445	($121,735)
Long term accounts receivable	$1,892	$1,893
Long term investments	$0	$0
Payables and accrued liabilities	$1,987,135	($86,884)
Deferred revenue	($46,812)	$372,399
Employee future benefit expense (recovery)	$0	$0
Other (describe)	($1)	$5
Total sources (uses) of cash from Operations	$2,325,887	$911,769
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	($744,238)	($25,000)
Buildings	($24,651,505)	($6,968,590)
Equipment	($1,291,801)	($413,343)
Vehicles	($102,082)	($175,183)
Net proceeds from disposal of capital assets	$8,269	$906,543
Other (describe)		$0
Total sources (uses) of cash from Investing activities	($26,781,357)	($6,675,573)
C. FINANCING ACTIVITIES		
Capital allocations	$17,747,480	$2,538,281
Issue of long term debt	$0	$4,716,500
Repayment of long term debt	($3,001,339)	($3,173,598)
Add back: supported portion	$2,859,634	$3,103,025
Other (describe) Interest on unsupport building project		$0
Total sources (uses) of cash from Financing activities	$17,605,776	$7,184,208
Net sources (uses) of cash during year	($6,849,695)	$1,420,404
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$19,523,666	$18,103,262
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$12,673,972	$19,523,666

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1190

STATEMENT OF CHANGES IN NET ASSETS for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$17,444,211	$9,140,293	($70,575)	$8,374,493	$4,729,682	$322,121	$676,049	$1,362,187	$59,836	$840,347	$384,271	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$17,444,211	$9,140,293	($70,575)	$8,374,493	$4,729,682	$322,121	$676,049	$1,362,187	$59,836	$840,347	$384,271	$0	$0	$0
Excess(def) of revenue over expenses	$621,769		$621,769											
Board funded capital transactions		$7,110,494	($139,030)	($6,971,464)	($4,614,142)	($268,062)	($105,786)	($1,049,699)	($142,289)	($791,486)	$0	$0	$0	$0
Direct credits to net assets	$0													
Amortization of capital assets		($8,913,152)	$8,913,152											
Amortization of capital allocations		$8,485,358	($8,485,358)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$146,404	($146,404)											
Net transfers to operating reserves			($693,553)	$693,553	($110,540)		$565,879		$91,453		$146,761		$0	
Net transfers from operating reserves			$412,169	($412,169)	($5,000)		($398,169)		($9,000)		$0		$0	
Net transfers to capital reserves			($412,169)	$412,169		$5,000		$398,169		$9,000		$0		$0
Net transfers from capital reserves			$0	$0		$0				$0		$0		$0
Balance at August 31, 2006	$18,065,980	$15,969,397	$1	$2,096,582	$0	$59,059	$737,973	$710,657	$0	$57,861	$531,032	$0	$0	$0

School Jurisdiction Code: 1190

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$584,779	$92,697,394
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$584,779	$92,697,394
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *		
Infrastructure & Transportation-School/Modular Project Capital *	$17,528,582	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$218,898	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$2,859,634
Expended capital allocations - current year	($15,028,507)	$15,028,507
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$8,485,358
Balance at August 31, 2006	$3,303,752	$102,100,177

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

NOTES TO THE FINANCIAL STATEMENTS

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital Assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Equipment & Furnishings	10% to 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

e) Pensions
Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Rocky View School Division does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $ 2,950,265 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

f) Inventories
Inventories are recorded at the lower of cost or net realizable value.

g) Prepaid Expenses
Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

h) Contributed Services
Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments
These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

j) Operating and Capital Reserves
Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k) Employee Future Benefits
The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2006, the recorded obligation is $Nil.

l) Investments
Short term Investments are valued at the lower of cost or market. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$186,964	$104,835
Alberta Infrastructure	$2,912,898	$2,246,879
Other Province of Alberta	$15,800	$15,800
Federal Government	$450,699	$299,844
Other Alberta School Jurisdictions	$209,502	$523,757
Other	$408,925	$258,607
Total	$4,184,788	$3,449,722

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of $1,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Alberta Education	$124,175	$456,053
Alberta Finance		
Other Province of Alberta		
Federal Government		
First Nations		
Alberta Municipalities		
Other Alberta School Jurisdictions		
Other Trade Payables and Accrued Liabilities	$9,947,100	$7,628,087
Total	$10,071,275	$8,084,140

6. DEFERRED REVENUE

	2006	2005
Infrastructure Maintenance Program (from AI&T)	$144,830	$333,651
Infrastructure Maintenance Renewal (from Education)		
Alberta Initiative for School Improvement (from Education)	$255,883	$91,947
1998-99 One Time Grant	$140,384	$228,101
Other	$1,104,267	$1,038,477
Total	$1,645,364	$1,692,176

7. OTHER REVENUE FROM ALBERTA EDUCATION

	2006	2005
1998-1999 One Time Grant for financial health	$87,177	$85,807
2004-05 Video Conferencing	$43,131	
2005-06 Mobile Computing	$66,166	
Total	$196,474	$85,807

8. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2006	2005
Deferred Salary Leave Plan	$176,738	$322,158
Scholarship Trusts	$140,264	$139,986
Children and Youth with Complex Needs (Banker Board)	$1,540,243	$837,826
Total	$1,857,245	$1,299,971

9. LONG TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$2,802,444	$1,468,180	$4,270,624
2007-2008	$2,630,890	$1,183,587	$3,814,477
2008-2009	$2,351,132	$916,292	$3,267,424
2009-2010	$2,144,690	$681,744	$2,826,434
2010-2011	$1,798,057	$464,833	$2,262,890
2011 to maturity	$2,990,070	$547,217	$3,537,287
Total	$14,717,283	$5,261,853	$19,979,136

b) Debenture Debt – Unsupported

The debenture debt bears interest at rates varying between 4.923% and 10.125%. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	$155,590	$220,792	$376,382
2007-2008	$163,252	$212,941	$376,193
2008-2009	$171,293	$204,708	$376,001
2009-2010	$179,735	$196,074	$375,809
2010-2011	$188,512	$186,821	$375,333
2011 to maturity	$3,650,510	$1,390,006	$5,040,516
Total	$4,508,892	$2,411,342	$6,920,234

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

12. COMMITMENTS

a) Building Projects: The jurisdiction is committed to further capital expenditures for the addition at Edwards School of approximately $3,046,000 and Nosecreek School of approximately $3,700,000. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education. The jurisdiction is committed to further capital expenditure for the construction of the new Education Centre in Airdrie of approximately $1,000,000, which will be funded from reserves and sale of land.

b) Office Lease: The jurisdiction is committed to lease office space to July 31, 2010, for which the annual rental of $28,458 is recovered annually from operating funds.

13. CONTINGENCIES

The jurisdiction has been named as a defendant in a lawsuits whereby the plaintiffs are seeking damages aggregating $500,000. As the likelihood of the outcomes and potential damages, if any, ensuing from these lawsuits are not determinable at the date of reporting, no provision has been made in the financial statements for any costs associated with these lawsuits.

14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The jurisdiction's primary source of income is from the Alberta Government. The jurisdiction's ability to continue viable operations is dependent on this funding.

15. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 23, 2005. It is presented for information purposes only.

SCHEDULE A to the AFS

School Jurisdiction Cod 1190

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$108,590,811	$86,700,037	$9,863,309	$8,800,086	$2,964,831	$262,548
(2) **Alberta Infrastructure & Transportation**	$1,555,917	$0	$1,555,917			
(3) **Alberta Finance**	$1,758,659		$1,758,659			$0
(4) **Other - Government of Alberta**	$146,737	$1,896	$81,668	$1,106	$2,844	$59,223
(5) **Federal Government and/or First Nations**	$731,464	$608,763	$100,266	$0	$22,435	$0
(6) **Other Alberta school authorities**	$206,968	$10,000	$0	$196,968	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$32,660	$32,660		$0	$0	$0
(9) **Instruction resource fees**	$1,810,112	$1,810,112				
(10) **Transportation fees**	$776,216			$776,216		
(11) **Other sales and services**	$102,836	$18,686	$83,230	$0	$920	$0
(12) **Investment income**	$538,251	$315,096	$33,333	$38,094	$151,728	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$422,961	$136,511	$280,624	$0	$5,826	$0
(15) **Net school generated funds**	$3,301,988	$3,301,988			$0	
(16) **Gains on disposal of capital assets**	$8,269		$8,269	$0	$0	$0
(17) **Amortization of capital allocations**	$8,485,358	$0	$8,485,358	$0		$0
(18) **TOTAL REVENUES**	$128,469,207	$92,935,749	$22,250,633	$9,812,470	$3,148,584	$321,771
EXPENSES						
(19) **Certificated salaries**	$60,815,919	$60,304,205			$511,714	$0
(20) **Certificated benefits**	$6,767,860	$6,712,799			$55,061	$0
(21) **Uncertificated salaries and wages**	$17,477,110	$11,450,120	$3,919,728	$270,148	$1,712,871	$124,243
(22) **Uncertificated benefits**	$3,861,288	$2,634,202	$789,644	$60,412	$356,040	$20,990
(23) **SUB - TOTAL**	$88,922,177	$81,101,326	$4,709,372	$330,560	$2,635,686	$145,233
(24) **Services, contracts & supplies**	$24,721,688	$7,892,811	$6,039,738	$9,268,620	$1,343,981	$176,538
(25) **Cost recoveries between programs**	$0	$645,483	$364,177	$66,367	($1,076,027)	
(26) **Net school generated funds**	$3,301,988	$3,301,988				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$8,485,358	$0	$8,485,358	$0	$0	$0
(28) Unsupported	$427,794	$237,335	$172,508	$0	$17,951	$0
(29) Total Amortization	$8,913,152	$237,335	$8,657,866	$0	$17,951	$0
Interest on capital debt						
(30) Supported	$1,758,659	$0	$1,758,659	$0	$0	$0
(31) Unsupported	$228,046	$0	$1,107	$0	$226,939	$0
(32) Other interest charges	$1,728	$1,370	$142	$162	$54	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$127,847,438	$93,180,313	$21,531,061	$9,665,709	$3,148,584	$321,771
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$621,769	($244,564)	$719,572	$146,761	$0	$0

School Jurisdiction Code: 1190

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$2,439,696
Base Instruction (Gr 1-12)	$73,060,121
Outreach Programs	$156,060
Home Education	$24,713
Differential Cost Funding *	$15,595,396
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$95,736
Provincial Priority Targeted Funding	
Class Size Initiative	$4,098,019
Student Health Initiative (SHI)	$309,267
Alberta Initiative for School Improvement (AISI)	$1,658,827
High Speed Networking	$237,651
Children and Youth with Complex Needs	$262,547
Infrastructure Maintenance Renewal (IMR)	
Other Alberta Education Revenues (describe): Maintenance, special grants, prior years	$10,652,778
Total Alberta Education Revenues	$108,590,811

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1190

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$9,205,984	$2,938,014	$191,800		$0	$0	$12,335,798
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$3,946,990	$992,075	$133,689		$0		$5,072,754
ECS Program Unit (PUF)	$141,545	$863,903	$195,814		$0		$1,201,262
Severe Disabilities (Gr 1-12)	$1,233,150	$3,203,948	$306,384		$0		$4,743,482
English as a Second Language	$149,237	$66,627	$8,284		$0		$224,148
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$194,716	$21,917	$57,626		$0		$274,259
Home Education	$36,603	$21,000	$7,847		$0		$65,450
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$1,409,645	$0	$573,939	$0	$0		$1,983,584
Student Health Initiative	$941	$99,177	$78,686		$0		$178,804
High Speed Networking			$326,637		$0		$326,637
Class Size	$0	$0	$0	$0			$0
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$50,698,193	$5,877,661	$6,012,105	$0	$645,483	$3,540,693	$66,774,135
TOTAL EXPENSES	$67,017,004	$14,084,322	$7,892,811	$0	$645,483	$3,540,693	$93,180,313

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	48.2	72.4
ECS Program Unit (PUF)	2.0	21.0
Severe Disabilities (Gr 1-12)	16.2	49.1

Note:

1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1190

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$127,847,438**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$5,113,898
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$5,113,898**
Less: 2005/2006 Board and System Administration expenses		-$3,148,584
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$1,965,314

School Jurisdiction Code: 1190

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$2,535,384
Source of Net School Generated Funds:				
Fundraising activities	$2,125,032	$1,627,019	$498,013	
Student fees (Non-Instructional) (Note 2)	$2,759,991	$0	$2,759,991	
Donations and grants to schools	$199,135	$0	$199,135	
Other (describe):	$22,456	$707	$21,749	
Net Additions to SGF	$5,106,614	$1,627,726		$3,478,888
Net SGF Available for Spending				$6,014,272
Application of Net School Generated Funds:				
Extra-curricular activities			$2,078,044	
School site beautification			$45,460	
Field Trips			$713,896	
Equipment			$464,588	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$3,301,988
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$2,712,284

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1190

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$3,008,200	$911,528	$0	$0	$0	$3,919,728		$3,919,728
Uncertificated benefits	$476,037	$313,607	$0	$0	$0	$789,644		$789,644
Sub-total Remuneration	$3,484,237	$1,225,135	$0	$0	$0	$4,709,372		$4,709,372
Contracted Services	$101,528	$354,123		$1,697,330	$0	$2,152,981		$2,152,981
Supplies	$370,979	$972,231	$0	$0	$0	$1,343,210		$1,343,210
Electricity			$1,299,635			$1,299,635		$1,299,635
Natural Gas/Heating Fuel			$508,013			$508,013		$508,013
Sewer and Water			$535,630			$535,630		$535,630
Telecommunications						$0		$0
Insurance					$200,269	$200,269		$200,269
Amortization of capital assets								
Supported							$8,485,358	$8,485,358
Unsupported						$172,508		$172,508
Total Amortization						$172,508	$8,485,358	$8,657,866
Interest on capital debt								
Supported							$1,758,659	$1,758,659
Unsupported				$0		$1,107		$1,107
Other interest charges						$142		$142
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$364,177		$364,177
TOTAL EXPENSES	$3,956,744	$2,551,489	$2,343,278	$1,697,330	$200,269	$11,287,044	$10,244,017	$21,531,061
SQUARE METRES								
School Buildings								0.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1190

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Wenona Metzger	1.0	$25,893	$4,784	$0			$30,677	$3,798
Name	Trudy Hauser	1.0	$29,196	$5,308	$0			$34,504	$4,543
Other Board Members:									
Name	John Murray	1.0	$19,197	$3,121	$0			$22,318	$0
Name	Terry Patey	1.0	$25,426	$1,164	$0			$26,590	$3,011
Name	Beverley LaPeare	1.0	$24,873	$3,953	$0			$28,826	$3,118
Name	Donald Thomas	1.0	$22,748	$4,611	$0			$27,359	$5,168
Name	Maureen Munro	1.0	$23,237	$2,532	$0			$25,769	$1,689
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$170,570*	*$25,473*	*$0*			*$196,043*	*$21,327*
Superintendent	Lyall Thomson	1.0	$142,435	$25,243	$7,800	$0	$0	$175,478	$8,463
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Darrell Couture	1.0	$121,136	$30,304	$4,200	$0	$0	$155,640	$7,008
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		0.0	$60,665,684	$6,742,617	$0	$0	$0	$67,408,301	
Uncertificated Salaries & Wages		0.0	$17,181,204	$3,805,511	$0	$0	$0	$20,986,715	
TOTALS			**$78,281,029**	**$10,629,148**	**$12,000**	**$0**	**$0**	**$88,922,177**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 7020

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

St. Albert Protestant Separate School District No. 6
Legal Name of School Jurisdiction

60 Sir Winston Churchill Ave, St Albert, AB T8N 0G4
Mailing Address

Phone: 780-460-3712 Fax: 780-460-7686
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules St. Albert Protestant Separate School District No. 6 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Dr. Morag Pansegrau	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
Barry Wowk	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
Michael R. Brenneis, BComm, CA	"ORIGINAL SIGNED"
Name	Signature

November 8, 2006
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 7020

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November 8, 2006

Auditors' Report

To the Board of Trustees of
St. Albert Protestant Separate School District No. 6

We have audited the statement of financial position of **St. Albert Protestant Separate School District No. 6** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at August 31, 2006 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The budgeted information in the statement of revenue and expenses has not been subjected to audit procedures and, accordingly, we do not express an opinion on this information.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

School Jurisdiction Code: 7020

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$6,749,261	$6,827,765
Accounts receivable (net after allowances)		$2,389,056	$3,739,869
Prepaid expenses		$122,823	$170,047
Other current assets		$0	$0
Total current assets		$9,261,140	$10,737,681
School generated assets		$499,709	$406,323
Trust assets		$165,093	$159,942
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$1,601,571	$1,601,571
Buildings	$62,696,170		
Less: accumulated amortization	($34,052,060)	$28,644,110	$27,197,157
Equipment	$2,203,614		
Less: accumulated amortization	($1,324,784)	$878,830	$828,730
Vehicles	$434,485		
Less: accumulated amortization	($260,103)	$174,382	$154,946
Total capital assets		$31,298,893	$29,782,404
TOTAL ASSETS		$41,224,835	$41,086,350
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$3,334,614	$4,683,322
Deferred revenue		$615,671	$1,092,972
Deferred capital allocations		$46,744	$167,140
Current portion of all long term debt		$1,122,904	$1,216,004
Total current liabilities		$5,119,933	$7,159,438
School generated liabilities		$499,709	$406,323
Trust liabilities		$165,093	$159,942
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$8,090,836	$9,175,740
	Less: Current portion of supported debt	($1,057,304)	($1,084,904)
Unsupported:	Debentures and Capital Loans	$65,600	$196,700
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	($65,600)	($131,100)
Other long term liabilities		$0	
Unamortized capital allocations		$19,165,077	$16,556,536
Total long term liabilities		$26,863,411	$25,279,237
TOTAL LIABILITIES		$31,983,344	$32,438,675
NET ASSETS			
Unrestricted net assets		$1,136,139	$688,002
Operating Reserves		$3,726,856	$3,820,131
Accumulated Operating Surplus (Deficit)		$4,862,995	$4,508,133
Investment in capital assets		$3,977,382	$3,853,428
Capital Reserves		$401,114	$286,114
Total Capital Funds		$4,378,496	$4,139,542
Total net assets		$9,241,491	$8,647,675
TOTAL LIABILITIES AND NET ASSETS		$41,224,835	$41,086,350

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 7020

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005 Restated
REVENUES			
Government of Alberta	$46,874,739	$45,773,059	$45,506,100
Federal Government and/or First Nations	$184,529	$0	$89,202
Other Alberta school authorities	$110,289	$40,000	$116,674
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$8,384	$0	$0
Instruction resource fees	$657,329	$551,500	$628,107
Transportation fees	$314,222	$293,450	$308,140
Other sales and services	$1,236,786	$592,000	$940,381
Investment income	$272,438	$100,000	$156,276
Gifts and donations	$70,260	$5,500	$26,674
Rentals of facilities	$31,809	$20,000	$41,465
Net school generated funds	$1,071,206	$45,000	$1,102,239
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,683,340	$1,500,567	$1,583,871
Total Revenues	$52,515,331	$48,921,076	$50,499,129
EXPENSES			
Certificated salaries	$27,226,819	$27,092,621	$26,373,214
Certificated benefits	$3,239,860	$3,160,370	$2,971,563
Uncertificated salaries and wages	$7,085,456	$6,948,903	$6,924,775
Uncertificated benefits	$1,662,455	$1,587,502	$1,559,922
Services, contracts and supplies	$8,583,378	$8,370,154	$7,897,861
Net school generated funds	$1,071,206	$45,000	$1,102,239
Capital and debt services			
Amortization of capital assets			
Supported	$1,683,340	$1,500,567	$1,583,871
Unsupported	$494,863	$518,838	$514,961
Total Amortization of capital assets	$2,178,203	$2,019,405	$2,098,832
Interest on capital debt			
Supported	$863,136	$860,032	$977,354
Unsupported	$11,002	$14,000	$20,278
Total Interest on capital debt	$874,138	$874,032	$997,632
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$51,921,515	$50,097,987	$49,926,038
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$593,816	($1,176,911)	$573,091
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$593,816	($1,176,911)	$573,091

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 7020

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$593,816	$573,091
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,683,340)	($1,583,871)
Total amortization expense	$2,178,203	$2,098,832
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,350,813	$121,698
Prepaids and other current assets	$47,224	($12,632)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($1,348,708)	$1,817,259
Deferred revenue	($477,301)	($69,721)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$660,707	$2,944,656
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($3,283,380)	($2,425,960)
Equipment	($364,293)	($113,039)
Vehicles	($47,019)	($138,248)
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($3,694,692)	($2,677,247)
C. FINANCING ACTIVITIES		
Capital allocations	$3,086,581	$2,561,227
Issue of long term debt	$0	$0
Repayment of long term debt	($1,216,004)	($1,250,762)
Add back: supported portion	$1,084,904	$1,119,663
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$2,955,481	$2,430,128
Net sources (uses) of cash during year	($78,504)	$2,697,537
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$6,827,765	$4,130,228
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$6,749,261	$6,827,765

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 7020

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$8,647,675	$3,853,428	$688,002	$4,106,245	$3,055,181	$172,993	$147,541	$31,000	$608,313	$82,121	$9,096	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$8,647,675	$3,853,428	$688,002	$4,106,245	$3,055,181	$172,993	$147,541	$31,000	$608,313	$82,121	$9,096	$0	$0	$0
Excess(def) of revenue over expenses	$593,816		$593,816											
Board funded capital transactions		$487,717	($487,717)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,178,203)	$2,178,203											
Amortization of capital allocations		$1,683,340	($1,683,340)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$131,100	($131,100)											
Net transfers to operating reserves			($2,647,009)	$2,647,009	$2,063,577		$171,328		$355,247		$56,857		$0	
Net transfers from operating reserves			$2,740,284	($2,740,284)	($2,548,705)		($153,458)		($36,952)		($1,169)		$0	
Net transfers to capital reserves			($115,000)	$115,000		$55,000		$0		$60,000		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$9,241,491	$3,977,382	$1,136,139	$4,127,970	$2,570,053	$227,993	$165,411	$31,000	$926,608	$142,121	$64,784	$0	$0	$0

School Jurisdiction Code: 7020

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$167,140	$16,556,536
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$167,140	$16,556,536
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$511,753	
	Infrastructure & Transportation-School/Modular Project Capital *	$2,571,500	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$3,328	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$1,084,904
Expended capital allocations - current year		($3,206,977)	$3,206,977
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,683,340
Balance at August 31, 2006		$46,744	$19,165,077

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1 Authority and purpose

The District delivers primary and secondary education programs under the authority of the School Act, Revised Statutes of Alberta, Chapter S-3.

The District receives block allocations for instruction and support under regulation 77/2003. The regulation limits the funding and expenditures for administration. It permits the District, within specified limits, to reallocate funding between the instruction and support blocks.

2 Summary of significant accounting policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Revenue recognition

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations, which are amortized to revenue on the same basis as the property and equipment asset acquired by the grant.

Unrestricted donations are recognized as revenue when received or receivable. Donations in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

b) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following annual rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Property and equipment are amortized in the year following acquisition.

Only property and equipment with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) Amortization

Amortization expense is reflected as a period expense on the statement of revenues and expenses and results in a reduction to unrestricted net assets. However, an amount equal to the amortization of supported assets is recorded as revenue. Amortization expense results in a transfer from investment in capital assets to unrestricted net assets on the statement of changes in net assets. The transfer from investment in capital assets to unrestricted net assets offsets the effect of the amortization expense of the period resulting in no change to the accumulated surplus.

d) School generated funds

School generated funds are funds raised in the community for activities that come under the control and responsibility of school management. School generated funds are included in the financial statements of the District because the accountability and control of these funds rests with the school officials or their appointee(s).

The prior year's net school generated funds reported as revenue and expense in the statement of revenues and expenses has been restated to conform with the guidelines provided by Alberta Education for the presentation of the audited financial statements. The prior year's balance of $65,493 has been increased by $1,036,746. The adjustment was made because the changes in the guidelines require that all expenditures, except those which are incurred to generate SGF revenue, be recorded in the statement of revenues and expenses. Previously only discretionary expenditures were recorded as revenue and expense.

e) Vacation pay

Vacation pay is recorded in the period in which it is earned.

f) Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, St. Albert Protestant Separate School District No. 6 does not make pension contributions for certificated staff.

The District participates in the multi-employer pension plan, Local Authorities Pension Plan. The District's expense for this plan is equivalent to the annual contributions of $405,398 for the year ended December 31, 2005 (2004 – $329,954). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 – $1,288,924,000 deficiency).

g) Contributed services

Volunteers assist schools operated by the school district in carrying out certain activities. Because of the difficulty of determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

h) Capital debt

Capital debt interest is recorded as an expenditure in the financial statements. Grants are receivable from Alberta Treasury for the interest expense and principal payments made on supported debt. The grant amounts received or receivable for the interest expense have been recorded as revenue in the financial statements. The total principal repayments on supported debt have been recorded to the debenture debt liability and equity in capital assets.

i) Financial instruments

The District's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

3 Asset Retirement Obligation

During the year, the Board applied the interpretations of the Canadian Institute of Chartered Accountants Emerging Issues Committee abstract 159 "Conditional Asset Retirement Obligations" (EIC-159). Under EIC-159, a liability should be recognized if the entity has sufficient information to reasonably estimate the fair value of the asset retirement obligation. The Board has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be covered in the future by funding through the Alberta Government. The Board believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been specified and information is not available to apply an expected present value technique.

4 Accounts receivable

	2006 $	2005 $
Province of Alberta	977,204	2,236,733
Federal Government	135,623	183,385
Alberta municipalities	1,158,424	1,160,884
Other	117,805	158,867
	2,389,056	3,739,869

5 Trust assets/trust liabilities

Trust assets and liabilities are accounts which the District is not entitled to, but which the District manages on behalf of others.

	2006 $	2005 $
Deferred salary leave plan	153,005	146,069
Other	12,088	13,873
	165,093	159,942

6 Accounts payable and accrued liabilities

	2006 $	2005 $
Trade payables and accrued liabilities	1,735,500	3,146,422
Province of Alberta	1,599,114	1,536,900
	3,334,614	4,683,322

7 Deferred revenue

	2006 $	2005 $
Infrastructure Maintenance and Renewal (formerly Infrastructure Maintenance Program	-	314,632
Deferred Infrastructure – Portable move	20,942	22,169
Alberta Initiative for School Improvement	-	85,532
One time grant funding 1999	-	60,092
Video conferencing grant	-	60,000
Transportation fees	323,775	213,444
Tuition	122,333	190,765
Other	148,621	146,338
	615,671	1,092,972

8 Unamortized capital allocations

The initial receipt of funds specifically designated for the funding of capital assets are recorded to deferred capital allocations. As expenditures are incurred for the related asset, the appropriate proportion of deferred capital allocation funds are transferred to unamortized capital allocations.

When the capital asset is complete the applicable unamortized capital allocation amount is amortized as revenue over the same period of time that the capital asset is amortized to expense.

The deferred capital allocation balance of $46,744 (2005 – $167,140) results from unexpended school modernization funds received from the province but not expended at August 31, 2006.

9 Long-term debt

	2006 $	2005 $
Debentures outstanding at August 31, 2006 have interest rates which vary between 6.25% to 12.0%. The terms of the debentures range from 10 to 25 years with payments of principal and interest made annually	8,156,436	9,372,440
Less: Current portion	1,122,904	1,216,004
	7,033,532	8,156,436

$8,090,836 in debentures is supported by Alberta Finance and $65,600 is unsupported debt.

The principal repayments in each of the next five fiscal years and beyond are as follows:

	Supported $	Unsupported $	Total $
2007	1,057,304	65,600	1,122,904
2008	981,921	-	981,921
2009	922,811	-	922,811
2010	922,811	-	922,811
2011	855,011	-	855,011
Thereafter	3,350,978	-	3,350,978
	8,090,836	65,600	8,156,436

10 Internally restricted net assets

Reserves created by the authorization of the Board of Trustees represent funds allocated for future capital expenditures and future operating expenses. The capital reserves are established and expended in accordance with the terms and conditions established by the Board.

11 Related party transactions and economic dependence

Various Government of Alberta departments are involved with administering education, district facilities, and the various school boards in the province and are considered to be related parties. The District's primary source of revenue is from the Alberta Government. The District's ability to continue viable operations is dependant on this funding.

12 Urban School Insurance Consortium

The District is a member of the Urban School Insurance Consortium, an organization which facilitates the placement of property and liability insurance coverage for thirteen districts throughout the province of Alberta. Premium rebates are received from the insurers favourable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The District's share of the accumulated consortium funds as at August 31, 2006 was $203,165 (2005 – $227,502). This amount has not been recognized in the District's financial statements, as the District has not realized the revenue.

13 Budget

The budget was prepared by district management with the Board of Trustees' approval given on May 25, 2005. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

School Jurisdiction Cod 7020

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$45,571,924	$37,947,972	$4,915,826	$966,171	$1,690,573	$51,382
(2) **Alberta Infrastructure & Transportation**	$314,632	$0	$314,632			
(3) **Alberta Finance**	$863,136		$863,136			$0
(4) **Other - Government of Alberta**	$125,047	$42,725	$20,490	$0	$5,327	$56,496
(5) **Federal Government and/or First Nations**	$184,529	$97,377	$0	$0	$0	$87,152
(6) **Other Alberta school authorities**	$110,289	$106,641	$0	$0	$0	$3,648
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$8,384	$8,384	$0	$0	$0	$0
(9) **Instruction resource fees**	$657,329	$657,329				
(10) **Transportation fees**	$314,222			$314,222		
(11) **Other sales and services**	$1,236,786	$642,158	$32,460	$243	$84,258	$477,667
(12) **Investment income**	$272,438	$0	$0	$0	$272,438	$0
(13) **Gifts and donations**	$70,260	$70,260	$0	$0		$0
(14) **Rentals of facilities**	$31,809	$26,847	$4,962	$0	$0	$0
(15) **Net school generated funds**	$1,071,206	$1,071,206			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,683,340	$0	$1,683,340	$0		$0
(18) **TOTAL REVENUES**	$52,515,331	$40,670,899	$7,834,855	$1,280,636	$2,052,596	$676,345
EXPENSES						
(19) **Certificated salaries**	$27,226,819	$26,705,888			$287,426	$233,505
(20) **Certificated benefits**	$3,230,860	$3,193,261			$22,218	$24,381
(21) **Uncertificated salaries and wages**	$7,085,456	$4,491,230	$1,734,485	$53,907	$720,444	$85,381
(22) **Uncertificated benefits**	$1,662,455	$1,095,406	$383,667	$11,114	$149,687	$22,581
(23) **SUB - TOTAL**	$39,214,590	$35,485,794	$2,118,152	$65,021	$1,179,775	$365,848
(24) **Services, contracts & supplies**	$8,583,378	$4,261,311	$2,519,540	$1,158,758	$409,515	$234,254
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$1,071,206	$1,071,206				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,683,340	$0	$1,683,340	$0	$0	$0
(28) Unsupported	$494,863	$222,948	$225,707	$1,169	$45,039	$0
(29) Total Amortization	$2,178,203	$222,948	$1,909,047	$1,169	$45,039	$0
Interest on capital debt						
(30) Supported	$863,136	$0	$863,136	$0	$0	$0
(31) Unsupported	$11,002	$0	$11,002	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$51,921,515	$41,041,259	$7,420,877	$1,224,948	$1,634,329	$600,102
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$593,816	($370,360)	$413,978	$55,688	$418,267	$76,243

School Jurisdiction Code: 7020

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,531,009
Base Instruction (Gr 1-12)	$32,268,173
Outreach Programs	$52,020
Home Education	$2,544
Differential Cost Funding *	$8,898,196
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$44,495
Provincial Priority Targeted Funding	
Class Size Initiative	$1,292,805
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$901,220
High Speed Networking	$90,630
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$456,837
Other Alberta Education Revenues (describe): Late FI grant, class awkward, 04/05 adjustments, residual 1-time, secondments	$33,995
Total Alberta Education Revenues	$45,571,924

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 7020

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$3,343,949	$2,463,595	$667,849		$0	$23,744	$6,499,137
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$2,615,198	$661,228	$205,220		$0		$3,481,646
ECS Program Unit (PUF)	$95,827	$257,008	$173,294		$0		$526,129
Severe Disabilities (Gr 1-12)	$304,256	$1,837,422	$235,997		$0		$2,377,675
English as a Second Language	$76,560	$0	$5,496		$0		$82,056
French Language Program & Francisation (all jurisdictions)	$2,147,088	$0	$6,746		$0		$2,153,834
First Nations, Metis and Inuit Education (ECS - Gr 12)	$147,490	$0	$5,000		$0		$152,490
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$666,961	$36,805	$144,617	$56,295	$0		$904,678
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$119,218		$0		$119,218
Class Size	$1,292,805	$0	$0	$0	$0		$1,292,805
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$19,209,015	$330,587	$2,238,228	$403,351	$0	$1,270,410	$23,451,591
TOTAL EXPENSES	$29,899,149	$5,586,645	$3,801,665	$459,646	$0	$1,294,154	$41,041,259

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	34.2	17.3
ECS Program Unit (PUF)	1.2	7.2
Severe Disabilities (Gr 1-12)	4.0	51.2

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 7020

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$51,921,515**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,076,861
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,076,861**
Less: 2005/2006 Board and System Administration expenses		-$1,634,329
2005-2006 BOARD AND SYSTEM ADMINISTRATION AMOUNT UNDER (OVER) MAXIMUM LIMIT		$442,532

School Jurisdiction Code: 7020

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$406,323
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$938,553	$637,628	$300,925	
Student fees (Non-Instructional) (Note 2)	$863,658	$48,610	$815,048	
Donations and grants to schools	$32,380	$0	$32,380	
Other (describe): banking, interest charges	$20,105	$3,866	$16,239	
Net Additions to SGF	$1,854,696	$690,104		$1,164,592
Net SGF Available for Spending				$1,570,915
Application of Net School Generated Funds:				
Extra-curricular activities			$776,836	
School site beautification			$2,898	
Field Trips			$259,945	
Equipment			$19,007	
Family literacy and other community resources			$6,222	
Other (describe): student awards			$6,298	
Net SGF Expended (Note 3)				$1,071,206
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$499,709

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 7020

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,056,384	$475,774	$0	$0	$202,327	$1,734,485		$1,734,485
Uncertificated benefits	$242,640	$98,986	$0	$0	$42,041	$383,667		$383,667
Sub-total Remuneration	$1,299,024	$574,760	$0	$0	$244,368	$2,118,152		$2,118,152
Contracted Services	$205,262	$6,253	$33,002	$264,113	$1,577	$510,207		$510,207
Supplies	$158,326	$507,264	$0	$275,440	$8,081	$949,111		$949,111
Electricity			$491,607			$491,607		$491,607
Natural Gas/Heating Fuel			$417,491			$417,491		$417,491
Sewer and Water			$61,656			$61,656		$61,656
Telecommunications			$13,858			$13,858		$13,858
Insurance					$75,610	$75,610		$75,610
Amortization of capital assets								
Supported							$1,683,340	$1,683,340
Unsupported						$225,707		$225,707
Total Amortization						$225,707	$1,683,340	$1,909,047
Interest on capital debt								
Supported							$863,136	$863,136
Unsupported				$0		$11,002		$11,002
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,662,612	$1,088,277	$1,017,614	$539,553	$329,636	$4,874,401	$2,546,476	$7,420,877
SQUARE METRES								
School Buildings								70,710.4
Non School Buildings								3,660.5

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 7020

SCHEDULE G to the AFS

DISCLOSURE OF SALARIES AND BENEFITS - 2005-200

(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Morag Pansegrau	1.0	$21,121	$2,964	$0			$24,085	$3,957
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Joan Alexander	1.0	$18,210	$965	$0			$19,175	$2,718
Name	Gerry Martins	1.0	$17,804	$2,430	$0			$20,234	$2,631
Name	Joan Trettler	1.0	$17,629	$769	$0			$18,398	$2,948
Name	Ernie Wynychuk	1.0	$15,719	$2,430	$0			$18,149	$1,949
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$90,483*	*$9,558*	*$0*			*$100,041*	*$14,203*
Superintendent	Barry Wowk	1.0	$129,000	$9,187	$0	$0	$0	$138,187	$2,443
Superintendent	Joe Demko	0.1	$10,483	$531	$0	$0	$62,897	$73,911	$700
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	Donna Taylor	1.0	$47,655	$12,254	$0	$0	$0	$59,909	$0
Board Secretary	Kathy Yewchuk	0.2	$8,595	$1,926	$0	$0	$0	$10,521	$0
Board Treasurer	Michael Brennels	1.0	$111,560	$20,198	$0	$0	$0	$131,758	$1,498
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		370.3	$27,024,438	$3,230,162	$0	$0	$0	$30,254,600	
Uncertificated Salaries & Wages		185.5	$6,827,163	$1,618,500	$0	$0	$0	$8,445,663	
TOTALS			**$34,249,377**	**$4,902,316**	**$0**	**$0**	**$62,897**	**$39,214,590**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 2185

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

St. Paul Education Regional Division No. 1
Legal Name of School Jurisdiction

4901-47 Street St. Paul, Alberta T0A 3A3
Mailing Address

Phone: (780) 645-3323 Fax: (780) 645-5789
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules St. Paul Education Regional Division No. 1 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Darrell Younghans	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Douglas Yeo	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Jean Champagne	"ORIGINAL SIGNED"
Name	**Signature**

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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Wilde & Company
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Board of Trustees
St. Paul Education Regional Division No. 1

We have audited the statement of financial position of the St. Paul Education Regional Division No. 1 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets, and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Vegreville, Alberta
November 10, 2006

Wilde & Company
Chartered Accountants

School Jurisdiction Code: 2185

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$4,560,935	$3,516,994
Accounts receivable (net after allowances)		$1,442,855	$3,544,921
Prepaid expenses		$277,082	$180,127
Other current assets		$0	$0
Total current assets		$6,280,872	$7,242,042
School generated assets		$434,189	$446,784
Trust assets		$34,486	$34,486
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$128,374	$128,374
Buildings	$32,129,711		
Less: accumulated amortization	($15,641,631)	$16,488,080	$16,667,629
Equipment	$1,896,917		
Less: accumulated amortization	($1,547,874)	$349,043	$854,036
Vehicles	$2,378,137		
Less: accumulated amortization	($1,314,322)	$1,063,815	$990,986
Total capital assets		$18,029,312	$18,641,025
TOTAL ASSETS		$24,778,859	$26,364,337
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,775,778	$2,372,844
Deferred revenue		$381,892	$531,085
Deferred capital allocations		$41,357	$193,790
Current portion of all long term debt		$500,073	$519,240
Total current liabilities		$2,699,100	$3,616,959
School generated liabilities		$434,189	$446,784
Trust liabilities		$34,486	$34,486
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$2,779,492	$3,298,732
Less: Current portion of supported debt		($500,073)	($519,240)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$13,288,555	$13,569,199
Total long term liabilities		$16,036,649	$16,829,961
TOTAL LIABILITIES		$18,735,749	$20,446,920
NET ASSETS			
Unrestricted net assets		$453,638	$573,609
Operating Reserves		$3,524,801	$3,467,308
Accumulated Operating Surplus (Deficit)		$3,978,439	$4,040,917
Investment in capital assets		$1,961,262	$1,773,091
Capital Reserves		$103,409	$103,409
Total Capital Funds		$2,064,671	$1,876,500
Total net assets		$6,043,110	$5,917,417
TOTAL LIABILITIES AND NET ASSETS		$24,778,859	$26,364,337

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 2185

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006 "Restated"	Actual 2005
REVENUES			
Government of Alberta	$27,816,195	$27,884,715	$26,598,475
Federal Government and/or First Nations	$8,649,823	$7,955,631	$8,002,242
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$214,528	$217,674	$238,572
Transportation fees	$42,364	$45,000	$50,467
Other sales and services	$299,894	$79,700	$235,676
Investment income	$238,128	$150,000	$163,725
Gifts and donations	$0	$0	$0
Rentals of facilities	$68,104	$67,450	$73,923
Net school generated funds	$588,872	$450,000	$520,367
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$721,356	$850,000	$701,465
Total Revenues	$38,639,264	$37,700,170	$36,584,912
EXPENSES			
Certificated salaries	$18,564,525	$18,501,113	$18,056,541
Certificated benefits	$2,045,891	$1,936,250	$1,912,268
Uncertificated salaries and wages	$7,239,320	$7,256,240	$6,894,200
Uncertificated benefits	$1,506,243	$1,424,830	$1,383,889
Services, contracts and supplies	$7,116,370	$7,018,608	$6,695,156
Net school generated funds	$588,872	$450,000	$520,367
Capital and debt services			
Amortization of capital assets			
Supported	$721,356	$850,000	$701,465
Unsupported	$365,773	$137,550	$416,345
Total Amortization of capital assets	$1,087,129	$987,550	$1,117,810
Interest on capital debt			
Supported	$318,788	$345,324	$373,826
Unsupported	$0	$0	$0
Total Interest on capital debt	$318,788	$345,324	$373,826
Other interest charges	$2,263	$2,300	$2,435
Losses on disposal of capital assets	$44,170	$0	$13,780
Total Expenses	$38,513,571	$37,922,215	$36,970,272
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$125,693	($222,045)	($385,360)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$125,693	($222,045)	($385,360)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 2185

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$125,693	($385,360)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($721,356)	($701,465)
Total amortization expense	$1,087,129	$1,117,810
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$44,170	$13,780
Changes in accrued accounts:		
Accounts receivable	$2,102,066	($1,023,503)
Prepaids and other current assets	($96,955)	$108,729
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($597,066)	$15,429
Deferred revenue	($149,193)	$205,489
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,794,488	($649,091)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($579,332)	($3,179,234)
Equipment	($171,772)	($326,397)
Vehicles	($258,658)	($226,666)
Net proceeds from disposal of capital assets	$0	$0
Other (describe) reclass between building and equipment	$259,215	$0
Total sources (uses) of cash from Investing activities	($750,547)	($3,732,297)
C. FINANCING ACTIVITIES		
Capital allocations	$0	$2,053,741
Issue of long term debt	$0	$0
Repayment of long term debt	($519,240)	($528,776)
Add back: supported portion	$519,240	$528,776
Other (describe)		$0
Total sources (uses) of cash from Financing activities	$0	$2,053,741
Net sources (uses) of cash during year	$1,043,941	($2,327,647)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$3,516,994	$5,844,641
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$4,560,935	$3,516,994

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2185

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$5,917,417	$1,773,091	$573,609	$3,570,717	$165,884	$0	$1,800,307	$76,527	$1,036,908	$0	$464,209	$26,882	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$5,917,417	$1,773,091	$573,609	$3,570,717	$165,884	$0	$1,800,307	$76,527	$1,036,908	$0	$464,209	$26,882	$0	$0
Excess(def) of revenue over expenses	$125,693		$125,693											
Board funded capital transactions		$598,114	($598,114)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,087,129)	$1,087,129											
Amortization of capital allocations		$721,356	($721,356)											
Disposal of unsupported capital assets	$0	($44,170)	$44,170	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0		$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($118,377)	$118,377	$0		$0		$118,377		$0		$0	
Net transfers from operating reserves			$60,884	($60,884)	($60,884)		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$6,043,110	$1,961,262	$453,638	$3,628,210	$105,000	$0	$1,800,307	$76,527	$1,155,285	$0	$464,209	$26,882	$0	$0

School Jurisdiction Code: 2185

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$193,790	$13,569,199
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$193,790	$13,569,199
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$519,240
Expended capital allocations - current year	($152,433)	$152,433
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$230,961
Capital allocations amortized to revenue		$721,356
Balance at August 31, 2006	$41,357	$13,288,555

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The school jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:
Buildings - 2.5 to 10%
Equipment - 20%
Vehicles - 10 to 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized over the same period as the related asset.

c) School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control/ownership of these funds rests with school jurisdiction officials or their appointee(s).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

f) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the St. Paul Education Regional Division No. 1 does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, Local Authorities Pension Plan and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $183,758 for the year ended August 31, 2006 ($172,824 - 2005). At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

h) Financial Instruments

These consist of cash and short term investments, marketable investments, accounts receivable and accounts payable, accrued liabilities and long term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Investments

Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2006

3. ACCOUNTS RECEIVABLE

	2006	2005
Provincial government grants	$ 631,382	$ 2,867,737
Federal government grants	31,432	320,000
GST recoverable	178,562	266,598
Other accounts receivable	601,479	90,586
	$ 1,442,855	$ 3,544,921

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Land	$ 128,374	$ -	$ 128,374	$ 128,374
Buildings	32,129,711	15,641,631	16,488,080	16,667,629
Equipment	1,896,917	1,547,874	349,043	854,036
Vehicles	2,378,137	1,314,322	1,063,815	990,986
	$ 36,533,139	$ 18,503,827	$ 18,029,312	$ 18,641,025

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Province of Alberta	$ 211,336	$ 265,001
Federal Government	346,729	338,755
Other trade payables and accrued liabilities	1,217,713	1,769,088
	$ 1,775,778	$ 2,372,844

6. DEFERRED REVENUE

	2006	2005
IMP grants	$ -	$ 276,804
IMR grants	259,527	-
AISI	-	161,167
Career Corner and Northern Development	-	19,915
Other revenues	122,365	73,199
	$ 381,892	$ 531,085

7. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not yet been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

	Opening $	Capital Funds received or receivable $	Transfer to unamortized capital allocations $	Closing $
Two Hills Modernization interest earned-available for future projects	193,790	-	152,433	41,357

8. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully supported debenture principal repayments.

	2006	2005
Consisting of:		
Opening balance	$ 13,569,199	$ 10,424,903
Transfer from deferred capital allocations - Note 7	152,433	3,389,328
Supported debenture and capital loan principal repayments	519,240	528,776
Less loss on disposal of supported asset	(230,961)	(72,343)
Less capital allocation for amortization	(721,356)	(701,465)
	$ 13,288,555	$ 13,569,199

9. LONG TERM DEBT

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 7.875% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	2006	2005
Debentures	$ 2,779,492	$ 3,298,732
Less current portion of debt	500,073	519,240
Long term debt	$ 2,279,419	$ 2,779,492

School Year	Principal	Interest	Total
2006-2007	$ 500,073	$ 290,411	$ 790,484
2007-2008	476,067	237,560	713,627
2008-2009	458,138	187,201	645,339
2009-2010	395,878	138,853	534,731
2010-2011	322,016	97,084	419,100
2011 to maturity	627,320	173,908	801,228
	$ 2,779,492	$ 1,125,017	$ 3,904,509

10. OPERATING RESERVES

	Opening	Transfer to Reserves	Transfers From Reserves	Closing
Instruction	$ 165,884	$ -	$ (60,884)	$ 105,000
Administration	1,016,908	118,377	-	1,135,285
Election	20,000	-	-	20,000
Operations/Maintenance	1,750,307	-	-	1,750,307
BQRP	50,000	-	-	50,000
Transportation	464,209	-	-	464,209
	$ 3,467,308	$ 118,377	$ (60,884)	$ 3,524,801

11. CAPITAL RESERVES

	Opening	Transfer to Reserves	Transfers From Reserves	Closing
Equipment	$ 76,527	$ -	$ -	$ 76,527
Vehicles	26,882	-	-	26,882
Balance, end of period	$ 103,409	$ -	$ -	$ 103,409

12. SCHOOL GENERATED FUNDS

	2006	2005
Balance, beginning of year	$ 446,784	$ 367,722
Source of school generated funds (SGF)		
SGF for the year	1,136,667	1,077,356
Less cost of generating SGF	(625,424)	(511,919)
Less items capitalized at the district level	-	-
Donations received	65,034	33,992
Net SGF additions for the year	576,277	599,429
Net SGF available for discretionary spending	1,023,061	967,151
SGF expended for discretionary purposes	(588,872)	(520,367)
Balance, end of year	$ 434,189	$ 446,784

13. RELATED PARTY TRANSACTIONS

Effective 2005-06, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of the school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005/06	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 160,205	$ 323,344	$ 27,171,932	$ -
Infrastructure & Transportation	318,858	-	276,804	-
Finance	147,519	147,519	318,788	318,788
Health & Wellness	-	-		-
Human Resources/Employment	-	-	-	
Other Gov't of Alberta depts.	4,800	-	48,671	-
Other				
Health authorities	-	-	-	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Other related parties	-	-	-	-
TOTAL 2005-06	$ 631,382	$ 470,863	$ 27,816,195	$ 318,788
TOTAL 2004-05	$ 2,867,737	$ 722,887	$ 26,598,475	$ 373,826

14. DISCLOSURE OF SALARY AND BENEFITS

	FTE	Salaries & Wages	Benefits & Allowances	Total	Reimbursed Expenses
Terry Laboucane - Chairman	1	$ 15,585	$ -	$ 15,585	$ 4,390
Other Board Members:					
Rhea Looy	1	14,745	3,334	18,079	5,537
Darrell Younghans	1	12,490	4,321	16,811	5,064
Ron Rudkowsky	1	15,225	2,076	17,301	8,527
Doug Millar	1	14,840	4,375	19,215	6,302
Deb Pederson	1	14,855	4,396	19,251	8,163
Steve Upham	1	13,255	4,337	17,592	7,189
Doug Yeo (Superintendent)	1	117,108	19,782	136,890	12,689
Jean Champagne (Sec/Treas)	1	96,484	27,802	124,286	1,816
Salaries - Certificated	261.6	18,447,417	2,026,109	20,473,526	
Salaries - Uncertificated	311.0	7,041,841	1,455,602	8,497,443	
		$ 25,803,845	$ 3,552,134	$ 29,355,979	

15. CONTINGENCIES

Contingent Assets

The jurisdiction is a member of a reciprocal insurance exchange called Genesis. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements as the value of the equity is subject to liability claims.

Contingent Liabilities

The jurisdiction is a member of the Alberta Local Authorities Reciprocal Insurance Exchange (Genesis). Under the terms of membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

16. INDEBTEDNESS

a) Line of Credit

The jurisdiction has negotiated a line of credit in the amount of $2,500,000 that bears interest at bank prime less 1/2%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2006.

b) Credit Card

The jurisdiction has approved a combined credit card charge limit of $160,000. The credit cards are assigned to various individuals throughout the school jurisdiction and have varying credit limits. The balances are paid in full each month by the due date and no interest charges were incurred during the year. The combined credit card balance outstanding at August 31, 2006 was nil.

17. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented f information purposes only. These financial statements contain the amended budget details as approved by th Board.

18. ECONOMIC DEPENDENCE

St. Paul Education Regional Division No. 1's primary source of income is from the Alberta Government. Th Division's ability to continue viable operations is dependent on this funding.

19. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2006 presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 2185

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$27,171,932	$20,192,618	$3,238,708	$2,513,319	$1,227,287	$0
(2) **Alberta Infrastructure & Transportation**	$276,804	$0	$276,804			
(3) **Alberta Finance**	$318,788		$318,788			$0
(4) **Other - Government of Alberta**	$48,671	$48,671	$0	$0	$0	
(5) **Federal Government and/or First Nations**	$8,649,823	$7,304,990	$950,813	$16,700	$377,320	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$214,528	$214,528				
(10) **Transportation fees**	$42,364			$42,364		
(11) **Other sales and services**	$299,894	$170,850	$9,444	$20,295	$99,305	$0
(12) **Investment income**	$238,128	$178,720	$32,438	$15,918	$11,052	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$68,104	$0	$48,447	$19,657	$0	$0
(15) **Net school generated funds**	$588,872	$588,872			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$721,356	$0	$721,356	$0		$0
(18) **TOTAL REVENUES**	$38,639,264	$28,699,249	$5,596,798	$2,628,253	$1,714,964	$0
EXPENSES						
(19) **Certificated salaries**	$18,564,525	$18,173,705			$390,820	$0
(20) **Certificated benefits**	$2,045,891	$1,992,989			$52,902	$0
(21) **Uncertificated salaries and wages**	$7,239,320	$4,783,882	$1,540,458	$360,451	$554,529	$0
(22) **Uncertificated benefits**	$1,506,243	$1,046,135	$305,882	$45,163	$109,063	$0
(23) **SUB - TOTAL**	$29,355,979	$25,996,711	$1,846,340	$405,614	$1,107,314	$0
(24) **Services, contracts & supplies**	$7,116,370	$2,641,397	$2,132,893	$1,875,335	$466,745	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$588,872	$588,872				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$721,356	$0	$721,356	$0	$0	$0
(28) Unsupported	$365,773	$150,236	$44,024	$151,248	$20,265	$0
(29) Total Amortization	$1,087,129	$150,236	$765,380	$151,248	$20,265	$0
Interest on capital debt						
(30) Supported	$318,788	$0	$318,788	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$2,263	$0	$0	$0	$2,263	$0
(33) Losses on disposal of capital assets	$44,170	$44,170	$0		$0	$0
(34) **TOTAL EXPENSES**	$38,513,571	$29,421,386	$5,063,401	$2,432,197	$1,596,587	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$125,693	($722,137)	$533,397	$196,056	$118,377	$0

School Jurisdiction Code: 2185

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$498,624
Base Instruction (Gr 1-12)	$14,240,511
Outreach Programs	$52,020
Home Education	$9,794
Differential Cost Funding *	$11,061,047
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$38,587
Provincial Priority Targeted Funding	
Class Size Initiative	$537,350
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$636,792
High Speed Networking	$78,546
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): one time 32681; ppa -47702; AISI conf-1100; fed french pd by Prov32579+3	$18,661
Total Alberta Education Revenues	$27,171,932

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2185

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,958,919	$1,221,377	$376,839		$0	$0	$3,557,135
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$761,126	$175,743	$13,793		$0		$950,662
ECS Program Unit (PUF)	$6,626	$163,974	$55,651		$0		$226,251
Severe Disabilities (Gr 1-12)	$213,709	$2,938,847	$129,672		$0		$3,282,228
English as a Second Language	$57,543	$26,206	$7,746		$0		$91,495
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$47,310	$250,814	$31,451		$0		$329,575
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$139,028	$126,387	$215,804	$168,383	$0		$649,602
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$79,679		$0		$79,679
Class Size	$542,566	$0	$0	$0	$0		$542,566
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$16,439,867	$926,669	$681,799	$880,580	$0	$194,406	$19,712,193
TOTAL EXPENSES	$20,166,694	$5,830,017	$1,592,434	$1,048,963	$0	$194,406	$29,421,386

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	10.5	6.6
ECS Program Unit (PUF)	0.0	5.8
Severe Disabilities (Gr 1-12)	2.8	115.8

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2185

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		$38,513,571
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.15%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,983,391
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,983,391**
Less: 2005/2006 Board and System Administration expenses		-$1,596,587
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$386,804

School Jurisdiction Code: 2185

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$446,784
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$817,618	$625,424	$192,194	
Student fees (Non-Instructional) (Note 2)	$253,308	$0	$253,308	
Donations and grants to schools	$65,034	$0	$65,034	
Other (describe):	$65,741	$0	$65,741	
Net Additions to SGF	$1,201,701	$625,424		$576,277
Net SGF Available for Spending				$1,023,061
Application of Net School Generated Funds:				
Extra-curricular activities			$389,635	
School site beautification			$0	
Field Trips			$70,812	
Equipment			$7,855	
Family literacy and other community resources			$0	
Other (describe):			$120,570	
Net SGF Expended (Note 3)				$588,872
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$434,189

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2185

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,039,879	$372,616	$0		$127,963	$1,540,458		$1,540,458
Uncertificated benefits	$208,703	$71,586	$0		$25,593	$305,882		$305,882
Sub-total Remuneration	$1,248,582	$444,202	$0	$0	$153,556	$1,846,340		$1,846,340
Contracted Services	$0	$529,935	$0	$276,804	$0	$806,739		$806,739
Supplies	$148,399	$201,260	$0	$0	$30,693	$380,352		$380,352
Electricity			$389,923			$389,923		$389,923
Natural Gas/Heating Fuel			$417,262			$417,262		$417,262
Sewer and Water			$37,311			$37,311		$37,311
Telecommunications			$20,924			$20,924		$20,924
Insurance					$80,382	$80,382		$80,382
Amortization of capital assets								
Supported							$721,356	$721,356
Unsupported						$44,024		$44,024
Total Amortization						$44,024	$721,356	$765,380
Interest on capital debt								
Supported							$318,788	$318,788
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets								$0
Cost recoveries between programs								$0
TOTAL EXPENSES	$1,396,981	$1,175,397	$865,420	$276,804	$264,631	$4,023,257	$1,040,144	$5,063,401
SQUARE METRES								
School Buildings								62,612.0
Non School Buildings								1,404.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facity planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2185

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Terry LaBoucane	1.0	$15,585	$0	$0			$15,585	$4,390
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name		0.0	$0	$0	$0			$0	$0
Name	Rhea Looy	1.0	$14,745	$3,334	$0			$18,079	$5,537
Name	Doug Millar	1.0	$14,840	$4,375	$0			$19,215	$6,302
Name	Deb Pederson	1.0	$14,855	$4,396	$0			$19,251	$8,163
Name	Ron Rudkowsky	1.0	$15,225	$2,076	$0			$17,301	$8,527
Name	Steve Upham	1.0	$13,255	$4,337	$0			$17,592	$7,189
Name	Darrell Younghans	1.0	$12,490	$4,321	$0			$16,811	$5,064
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$100,995*	*$22,839*	$0			*$123,834*	*$45,172*
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Superintendent	Douglas Yeo	1.0	$117,108	$19,782	$0	$0	$0	$136,890	$12,689
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Jean Champagne	1.0	$96,484	$27,802	$0	$0	$0	$124,286	$1,816
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		261.6	$18,447,417	$2,026,109	$0	$0	$0	$20,473,526	
Uncertificated Salaries & Wages		311.0	$7,041,841	$1,455,602	$0	$0	$0	$8,497,443	
TOTALS			$25,803,845	$3,552,134	$0	$0	$0	$29,355,979	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 20

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38
Legal Name of School Jurisdiction

4906 - 49 Avenue, Leduc AB T9E 6W4
Mailing Address

Telephone (780) 986-2500 Fax (780) 986-8620
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mrs. Sandra Bannard
Name

" ORIGINAL SIGNED"
Signature

SUPERINTENDENT

Mr. Jamie McNamara
Name

" ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

Mrs. Jeanne Fontaine
Name

" ORIGINAL SIGNED"
Signature

29-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
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School Jurisdiction Code: 20

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Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Board of Trustees of
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38

We have audited the statement of financial position of the St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the school jurisdiction derives revenues from certain fund raising activities, the completeness of which is not readily susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the school jurisdiction and we were not able to determine whether any adjustments might be necessary to school generated funds, excess of revenues over expenses, assets, liabilities and net assets.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to audit the completeness of school generated funds, as discussed in the above paragraph, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Grant Thornton LLP
Chartered Accountants

Wetaskiwin, Canada
November 24, 2006

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School Jurisdiction Code: 20

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$21,215	$486,418
Accounts receivable (net after allowances)		$3,116,812	$3,297,147
Prepaid expenses		$142,078	$259,722
Other current assets		$54,033	$30,000
Total current assets		$3,334,138	$4,073,287
School generated assets		$232,475	$141,838
Trust assets		$45,770	$21,555
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$669,686	$669,686
Buildings	$33,961,183		
Less: accumulated amortization	($11,032,412)	$22,928,771	$22,733,084
Equipment	$1,685,930		
Less: accumulated amortization	($923,698)	$762,232	$913,637
Vehicles	$224,504		
Less: accumulated amortization	($125,149)	$99,355	$28,293
Total capital assets		$24,460,044	$24,344,700
TOTAL ASSETS		$28,072,427	$28,581,380
LIABILITIES			
Current liabilities			
Bank indebtedness		$308,481	$0
Accounts payable and accrued liabilities		$1,148,478	$1,345,063
Deferred revenue		$356,911	$473,989
Deferred capital allocations		$46,685	$0
Current portion of all long term debt		$554,634	$617,425
Total current liabilities		$2,415,189	$2,436,477
School generated liabilities		$232,475	$141,838
Trust liabilities		$45,770	$21,555
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported:	Debentures and other supported debt	$3,939,006	$4,556,431
	Less: Current portion of supported debt	($554,634)	($617,425)
Unsupported:	Debentures and Capital Loans	$0	$0
	Capital Leases	$0	$0
	Mortgages	$0	$0
	Less: Current portion of unsupported debt	$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$18,884,060	$18,498,769
Total long term liabilities		$22,546,677	$22,601,168
TOTAL LIABILITIES		$24,961,866	$25,037,645
NET ASSETS			
Unrestricted net assets		$0	$0
Operating Reserves		$1,473,583	$2,254,235
Accumulated Operating Surplus (Deficit)		$1,473,583	$2,254,235
Investment in capital assets		$1,636,978	$1,289,500
Capital Reserves		$0	$0
Total Capital Funds		$1,636,978	$1,289,500
Total net assets		$3,110,561	$3,543,735
TOTAL LIABILITIES AND NET ASSETS		$28,072,427	$28,581,380

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 20

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$16,787,161	$16,668,271	$15,825,739
Federal Government and/or First Nations	$1,463,527	$1,217,210	$1,179,069
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$161,958	$118,300	$159,492
Transportation fees	$17,985	$16,000	$15,546
Other sales and services	$103,495	$58,000	$32,142
Investment income	$18,620	$55,000	$39,597
Gifts and donations	$45	$0	$80
Rentals of facilities	$16,789	$4,000	$2,500
Net school generated funds	$88,709	$439,135	$547,434
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$1,211,547	$1,021,492	$1,233,806
Total Revenues	$19,869,836	$19,597,408	$19,035,405
EXPENSES			
Certificated salaries	$10,204,673	$9,778,387	$9,464,038
Certificated benefits	$1,092,908	$1,072,707	$1,003,701
Uncertificated salaries and wages	$2,747,795	$2,514,898	$2,296,864
Uncertificated benefits	$505,539	$456,212	$472,758
Services, contracts and supplies	$3,839,836	$4,154,393	$3,465,106
Net school generated funds	$88,709	$439,135	$547,434
Capital and debt services			
Amortization of capital assets			
Supported	$1,211,548	$1,021,492	$1,177,850
Unsupported	$185,604	$135,000	$160,509
Total Amortization of capital assets	$1,397,152	$1,156,492	$1,338,359
Interest on capital debt			
Supported	$424,119	$460,409	$490,635
Unsupported	$0	$0	$0
Total Interest on capital debt	$424,119	$460,409	$490,635
Other interest charges	$1,410	$0	$0
Losses on disposal of capital assets	$869	$0	$205,999
Total Expenses	$20,303,010	$20,032,633	$19,284,894
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($433,174)	($435,225)	($249,489)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($433,174)	($435,225)	($249,489)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 20

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($433,174)	($249,489)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,211,547)	($1,233,806)
Total amortization expense	$1,397,152	$1,338,359
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$869	$205,999
Changes in accrued accounts:		
Accounts receivable	$180,335	($883,441)
Prepaids and other current assets	$93,611	$76,879
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($196,585)	($1,036,202)
Deferred revenue	($117,078)	($12,415)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	($286,417)	($1,794,116)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($1,253,856)	($1,930,753)
Equipment	($154,389)	($678,111)
Vehicles	($105,120)	($20,005)
Net proceeds from disposal of capital assets	$0	$6,226
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($1,513,365)	($2,622,643)
C. FINANCING ACTIVITIES		
Capital allocations	$1,026,098	$1,979,326
Issue of long term debt	$0	$0
Repayment of long term debt	($617,425)	($645,425)
Add back: supported portion	$617,425	$645,425
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$1,026,098	$1,979,326
Net sources (uses) of cash during year	($773,684)	($2,437,433)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$486,418	$2,923,851
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	($287,266)	$486,418

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 20

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$3,543,735	$1,289,500	$0	$2,254,235	$1,969,207	$0	$115,494	$0	$164,697	$0	$0	$0	$4,837	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$3,543,735	$1,289,500	$0	$2,254,235	$1,969,207	$0	$115,494	$0	$164,697	$0	$0	$0	$4,837	$0
Excess(def) of revenue over expenses	($433,174)		($433,174)											
Board funded capital transactions		$533,952	($533,952)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,397,152)	$1,397,152											
Amortization of capital allocations		$1,211,547	($1,211,547)											
Disposal of unsupported capital assets	$0	($869)	$869	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers from operating reserves			$780,652	($780,652)	($642,845)		$0		($137,807)		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$3,110,561	$1,636,978	$0	$1,473,583	$1,326,362	$0	$115,494	$0	$26,890	$0	$0	$0	$4,837	$0

School Jurisdiction Code: 20

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$18,498,769
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$18,498,769
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$261,476	
Infrastructure & Transportation-School/Modular Project Capital *	$764,570	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$52	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$617,425
Expended capital allocations - current year	($979,413)	$979,413
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,211,547
Balance at August 31, 2006	$46,685	$18,884,060

---

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

As a not-for-profit organization under the Income Tax Act, the School Division is not subject to either federal or provincial income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

The St. Thomas Aquinas Roman Catholic Separate Regional Division #38 follows the deferral method of accounting for contributions.

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Donated capital assets are recorded at fair market value at the date of the contribution. Amortization is provided on a straight line basis over the assets' estimated useful lives at the following rates:

Buildings	2.5% to 10%
Equipment and vehicles	20%

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

School generated funds

These are the funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions / Retirement Savings Plans

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the St. Thomas Aquinas Roman Catholic Separate Regional Division does not make pension contributions for certificated staff.

For uncertificated staff, the school jurisdiction contributes to employee's registered retirement savings plans, based upon a percentage of the employee's normal annual salary. The employer expense is recorded as a benefit cost in the period the obligation arises.

2. Summary of significant accounting policies (continued)

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial instruments

The jurisdictions financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the Regional Division or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

3. Cash and cash equivalents

Cash and cash equivalents include balances internally and externally restricted as follows:

	2006	2005
Externally restricted		
Operations	$ 21,215	$ 473,989
Internally restricted		
Operating reserves	-	12,429
	$ 21,215	$ 486,418

4. Accounts receivables	2006	2005
Province of Alberta	$2,203,481	$2,664,563
Federal Government	497,608	280,628
Alberta Municipalities	268,502	281,575
Other	147,221	70,381
Total	$3,116,812	$3,297,147

5. Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of $500,000 that bears interest at the bank prime rate plus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was a balance of $308,481 outstanding on the line of credit at August 31, 2006.

6. Accounts payable and liabilities	2006	2005
Province of Alberta	$ 564,718	$ 576,056
Federal Government	8,096	8,903
Other trade payables and accrued liabilities	575,664	760,104
Total	$ 1,148,478	$1,345,063

7. Deferred revenue	2006	2005
Infrastructure maintenance program	$ 59,615	$ 178,671
Block modernization	266,771	261,668
Lease incentive	27,750	33,300
School fees	2,775	350
Total	$ 356,911	$ 473,989

8. Trust assets and liabilities	2006	2005
Kneival Trust Fund	$ 21,547	$ 20,905
Taylor J. Bourque Memorial Fund	24,223	650
Total	$ 45,770	$ 21,555

9. Long term debt

Debenture debt - supported

The debenture debt bears interest at rates varying between 8% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2007	$ 554,634	$ 395,652	$ 950,286
2008	532,839	332,439	865,278
2009	479,374	283,769	763,143
2010	439,513	235,671	675,184
2011	439,513	202,273	641,786
2012 to maturity	1,493,133	433,552	1,926,685
Total	$ 3,939,006	$ 1,883,356	$ 5,822,362

10. Deferred capital allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by jurisdictions, but the related expenditure has not yet been made at year end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

11. Unamortized capital allocations

Unamortized capital allocations (UCA) represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debenture capital funds, as the principal is repaid.

12. Commitments

Office premises

The Regional Division has entered into an agreement to lease its office premises until April 1, 2012. The annual rent payable is $48,500.

Buildings

The Regional Division received approval from Alberta Infrastructure to complete modernization of two schools, build two replacement schools and some other smaller scale projects. The cost of these projects will be fully supported and is expected to be $19,993,762. To date they have spent $11,683,378.

Photocopiers

The Regional Division leases photocopiers under long term operating leases. The future minimum payments are as follows:

2007	$ 85,355
2008	71,201
2009	59,780
2010	46,357

13. Contingencies

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

14. Economic dependence on related third party

The Regional Division received 84.5% (2005 – 83.1%) of its revenues pursuant to a funding arrangement with the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

15. Budget amounts

The budget was prepared by the Regional Division and approved by the Board of Trustees on June 28, 2005. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 20

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$16,222,701	$12,961,346	$1,807,520	$319,451	$1,134,384	$0
(2) **Alberta Infrastructure & Transportation**	$140,341	$0	$140,341			
(3) **Alberta Finance**	$424,119		$424,119			$0
(4) **Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$1,463,527	$1,194,996	$160,304	$0	$108,227	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$161,958	$161,958				
(10) **Transportation fees**	$17,985			$17,985		
(11) **Other sales and services**	$103,495	$61,495	$42,000	$0	$0	$0
(12) **Investment income**	$18,620	$0	$0	$0	$18,620	$0
(13) **Gifts and donations**	$45	$45	$0	$0		$0
(14) **Rentals of facilities**	$16,789	$0	$16,789	$0	$0	$0
(15) **Net school generated funds**	$88,709	$88,709			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,211,547	$173,529	$1,038,018	$0		$0
(18) **TOTAL REVENUES**	$19,869,836	$14,642,078	$3,629,091	$337,436	$1,261,231	$0
EXPENSES						
(19) **Certificated salaries**	$10,204,673	$9,996,800			$207,873	$0
(20) **Certificated benefits**	$1,092,908	$1,072,834			$20,074	$0
(21) **Uncertificated salaries and wages**	$2,747,795	$1,862,038	$475,750	$0	$410,007	$0
(22) **Uncertificated benefits**	$505,539	$340,654	$106,415	$0	$58,470	$0
(23) **SUB - TOTAL**	$14,550,915	$13,272,326	$582,165	$0	$696,424	$0
(24) **Services, contracts & supplies**	$3,839,836	$1,580,504	$1,117,084	$513,636	$628,612	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$88,709	$88,709				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,211,548	$173,529	$1,038,019	$0	$0	$0
(28) Unsupported	$185,604	$145,038	$31,327	$0	$9,239	$0
(29) Total Amortization	$1,397,152	$318,567	$1,069,346	$0	$9,239	$0
Interest on capital debt						
(30) Supported	$424,119	$0	$424,119	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$1,410	$0	$0	$0	$1,410	$0
(33) Losses on disposal of capital assets	$869	$0	$869	$0	$0	$0
(34) **TOTAL EXPENSES**	$20,303,010	$15,260,106	$3,193,583	$513,636	$1,335,685	$0
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	($433,174)	($618,028)	$435,508	($176,200)	($74,454)	$0

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$429,936
Base Instruction (Gr 1-12)	$10,280,502
Outreach Programs	$52,020
Home Education	$0
Differential Cost Funding *	$2,742,855
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$19,360
Provincial Priority Targeted Funding	
Class Size Initiative	$501,780
Student Health Initiative (SHI)	$17,994
Alberta Initiative for School Improvement (AISI)	$290,713
High Speed Networking	$0
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$150,222
Other Alberta Education Revenues (describe): fuel funding initaitive;;O&M; Class Walk Through; Class Size	$1,737,319
Total Alberta Education Revenues	$16,222,701

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 20

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,102,809	$730,225	$552,990		$0	$71,635	$2,457,659
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$17,903	$746	$9,397		$0		$28,046
ECS Program Unit (PUF)	$0	$98,718	$29,600		$0		$128,318
Severe Disabilities (Gr 1-12)	$298,830	$1,068,753	$66,823		$0		$1,434,406
English as a Second Language	$14,301	$596	$7,507		$0		$22,404
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$143,858	$5,997	$75,513		$0		$225,368
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$241,804	$44,661	$15,220	$229	$0		$301,914
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$0		$0		$0
Class Size	$408,887	$17,046	$214,632	$0	$0		$640,565
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$8,841,242	$235,950	$486,173	$211,129	$0	$246,932	$10,021,426
TOTAL EXPENSES	$11,069,634	$2,202,692	$1,457,855	$211,358	$0	$318,567	$15,260,106

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.4	0.0
ECS Program Unit (PUF)	0.0	4.0
Severe Disabilities (Gr 1-12)	3.9	43.2

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 20

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$20,303,010**
STEP 1 **Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses**		
If "Total Net Enrolled Students" are 6,000 and over = 4%		**5.90%**
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 2 **Calculate maximum expense limit AMOUNTS for Board and System Administration expenses**		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,197,878
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	2,207	
	$330,015	$1,197,878
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,197,878**
Less: 2005/2006 Board and System Administration expenses		-$1,335,685
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		-$137,807

School Jurisdiction Code: 20

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$141,838
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$201,264	$165,944	$35,320	
Student fees (Non-Instructional) (Note 2)	$621,561	$570,050	$51,511	
Donations and grants to schools	$13,795	$9,475	$4,320	
Other (describe): Interest; donations; social club; vending, can	$354,708	$266,513	$88,195	
Net Additions to SGF	$1,191,328	$1,011,982		$179,346
Net SGF Available for Spending				$321,184
Application of Net School Generated Funds:				
Extra-curricular activities			$28,115	
School site beautification			$0	
Field Trips			$32,365	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe): Bank charges; hot lunches; awards; vending & canteen supplies; coffee fund; etc.			$28,229	
Net SGF Expended (Note 3)				$88,709
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$232,475

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 20

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$475,750	$0	$0	$0	$0	$475,750		$475,750
Uncertificated benefits	$106,415	$0	$0	$0	$0	$106,415		$106,415
Sub-total Remuneration	$582,165	$0	$0	$0	$0	$582,165		$582,165
Contracted Services	$96,681	$341,510	$25,776	$15,177	$0	$479,144		$479,144
Supplies	$94,412	$0	$0	$0	$0	$94,412		$94,412
Electricity			$214,624			$214,624		$214,624
Natural Gas/Heating Fuel			$264,206			$264,206		$264,206
Sewer and Water			$34,673			$34,673		$34,673
Telecommunications			$1,276			$1,276		$1,276
Insurance					$28,749	$28,749		$28,749
Amortization of capital assets								
Supported							$1,038,019	$1,038,019
Unsupported						$31,327		$31,327
Total Amortization						$31,327	$1,038,019	$1,069,346
Interest on capital debt								
Supported							$424,119	$424,119
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$869		$869
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$773,258	$341,510	$540,555	$15,177	$28,749	$1,731,445	$1,462,138	$3,193,583
SQUARE METRES								
School Buildings								34,544.8
Non School Buildings								557.4

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 20

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Alfred Calkins	1.0	$5,400	$0	$0			$5,400	$10,412
Name		0.0		$0	$0			$0	$0
Other Board Members:									
Name	Sandra Bannard	1.0	$3,900	$0	$0			$3,900	$12,343
Name	Angela Greenidge	1.0	$3,900	$0	$0			$3,900	$14,204
Name	Arlene Hamilton	1.0	$3,900	$0	$0			$3,900	$7,013
Name	Maria Lentz	1.0	$3,900	$0	$0			$3,900	$7,620
Name	George Ollenberger	0.3	$1,300	$0	$0			$1,300	$2,080
Name	Linda Proctor	0.3	$975	$0	$0			$975	$1,181
Name	Karen Richert	0.4	$1,576	$0	$0			$1,576	$2,652
Name	Charlie Swap	1.0	$3,900	$0	$0			$3,900	$6,445
Name	Kelly Whalen	0.4	$1,560	$0	$0			$1,560	$1,755
Name	Michael Wyeth	1.0	$3,900	$0	$0			$3,900	$5,774
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*8.4*	*$34,211*	*$0*	*$0*			*$34,211*	*$71,479*
Superintendent	Jamie McNamara	1.0	$117,875	$14,956	$0	$0	$0	$132,831	$23,123
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Jeff Redmond	0.7	$90,293	$15,682	$0	$0	$80,021	$185,996	$8,037
Secretary/Treasurer	Jeanne Fontaine	0.0	$3,804	$264	$0	$0	$0	$4,068	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		135.9	$10,006,986	$1,077,952	$0	$0	$79,812	$11,164,750	
Uncertificated Salaries & Wages		89.1	$2,539,466	$489,593	$0	$0	$0	$3,029,059	
TOTALS			**$12,792,635**	**$1,598,447**	**$0**	**$0**	**$159,833**	**$14,550,915**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1110

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

STURGEON SCHOOL DIVISION NO 24
Legal Name of School Jurisdiction

9820-104 St, Morinville, AB T8R 1L8
Mailing Address

Telephone - 780-939-4341 Fax - 780-939-5520
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules STURGEON SCHOOL DIVISION NO 24
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Terry Jewell	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
Evan Miller	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
Karen Parasynchuk	"ORIGINAL SIGNED"
Name	Signature

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1110

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AUDITORS' REPORT

To The Trustees of
Sturgeon School Division No. 24
Morinville, Alberta

We have audited the statement of financial position of Sturgeon School Division No. 24 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an audit opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hawkings Epp Dumont

Edmonton, Alberta
October 26, 2006

HAWKINGS EPP DUMONT LLP
Chartered Accountants

Founding Partners
F.J. Bruha, CA (Deceased)
A.W. Whelan, CA (Retired)

Stony Plain Office
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*Professional Corporation

School Jurisdiction Code: 1110

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$3,225,185	$1,794,891
Accounts receivable (net after allowances)		$738,472	$1,775,098
Prepaid expenses		$90,580	$158,286
Other current assets		$33,891	$34,783
Total current assets		$4,088,129	$3,763,058
School generated assets		$289,944	$342,598
Trust assets		$82,107	$37,030
Long term accounts receivable			$0
Long term investments		$0	$0
Capital assets			
Land		$1,414,541	$1,414,541
Buildings	$47,037,650		
Less: accumulated amortization	($24,067,875)	$22,969,775	$24,115,710
Equipment	$3,329,034		
Less: accumulated amortization	($2,143,569)	$1,185,465	$1,512,828
Vehicles	$904,525		
Less: accumulated amortization	($522,211)	$382,314	$449,123
Total capital assets		$25,952,095	$27,492,202
TOTAL ASSETS		$30,412,275	$31,634,888
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,418,989	$864,728
Deferred revenue		$182,843	$487,449
Deferred capital allocations		$123,664	$126,799
Current portion of all long term debt		$574,067	$812,801
Total current liabilities		$2,299,563	$2,291,777
School generated liabilities		$289,944	$342,598
Trust liabilities		$82,107	$37,030
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$2,145,319	$2,770,625
Less: Current portion of supported debt		($480,319)	($625,305)
Unsupported: Debentures and Capital Loans		$187,496	$281,244
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($93,748)	($187,496)
Other long term liabilities		$0	$0
Unamortized capital allocations		$20,698,999	$21,198,793
Total long term liabilities		$22,829,798	$23,817,489
TOTAL LIABILITIES		$25,129,361	$26,109,266
NET ASSETS			
Unrestricted net assets		$73,631	$598,729
Operating Reserves		$1,436,615	$832,967
Accumulated Operating Surplus (Deficit)		$1,510,246	$1,431,696
Investment in capital assets		$2,920,283	$3,241,541
Capital Reserves		$852,385	$852,385
Total Capital Funds		$3,772,668	$4,093,926
Total net assets		$5,282,914	$5,525,622
TOTAL LIABILITIES AND NET ASSETS		$30,412,275	$31,634,888

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1110

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$38,792,614	$38,576,176	$37,218,924
Federal Government and/or First Nations	$474,585	$284,208	$345,002
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$21,554	$33,547	$18,309
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$239,241	$256,959	$240,271
Transportation fees	$0	$0	$0
Other sales and services	$597,623	$143,500	$594,215
Investment income	$112,678	$125,000	$80,391
Gifts and donations	$15,000	$0	$1,000
Rentals of facilities	$0	$0	$0
Net school generated funds	$840,851	$254,138	$626,681
Gains on disposal of capital assets	$0	$0	$509,508
Amortization of capital allocations	$1,364,356	$1,349,000	$1,349,234
Total Revenues	$42,458,503	$41,022,528	$40,983,535
EXPENSES			
Certificated salaries	$20,797,621	$20,151,629	$19,995,182
Certificated benefits	$2,088,106	$2,140,103	$1,982,396
Uncertificated salaries and wages	$7,036,389	$7,356,055	$7,122,387
Uncertificated benefits	$1,527,399	$923,185	$1,519,519
Services, contracts and supplies	$8,351,318	$9,079,207	$7,923,194
Net school generated funds	$840,851	$254,138	$626,681
Capital and debt services			
Amortization of capital assets			
Supported	$1,364,356	$1,349,000	$1,349,234
Unsupported	$447,511	$354,500	$381,980
Total Amortization of capital assets	$1,811,867	$1,703,500	$1,731,214
Interest on capital debt			
Supported	$247,659	$318,633	$318,633
Unsupported	$0		$0
Total Interest on capital debt	$247,659	$318,633	$318,633
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$42,701,211	$41,926,450	$41,219,206
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($242,708)	($903,922)	($235,671)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($242,708)	($903,922)	($235,671)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1110

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($242,708)	($235,671)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,364,356)	($1,349,234)
Total amortization expense	$1,811,867	$1,731,214
Gains on disposal of capital assets	$0	($509,508)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$1,036,626	($403,356)
Prepaids and other current assets	$68,598	$88,646
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$554,261	($113,257)
Deferred revenue	($304,606)	$255,084
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$1,559,681	($536,082)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($315,460)	($919,906)
Equipment	($103,867)	($537,791)
Vehicles	$0	($117,186)
Net proceeds from disposal of capital assets	$0	$519,507
Other (describe)	$0	$0
Total sources (uses) of cash from investing activities	($419,327)	($1,055,376)
C. FINANCING ACTIVITIES		
Capital allocations	$383,688	$842,398
Issue of long term debt	$0	$281,244
Repayment of long term debt	($719,054)	($775,225)
Add back: supported portion	$625,305	$715,218
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$289,940	$1,063,635
Net sources (uses) of cash during year	$1,430,294	($527,823)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$1,794,891	$2,322,714
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$3,225,185	$1,794,891

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1110

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$5,525,622	$3,241,541	$598,729	$1,685,352	$546,732	$5,134	$0	$842,532	$280,561	$0	$5,674	$4,719	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$5,525,622	$3,241,541	$598,729	$1,685,352	$546,732	$5,134	$0	$842,532	$280,561	$0	$5,674	$4,719	$0	$0
Excess(def) of revenue over expenses	($242,708)		($242,708)											
Board funded capital transactions		$32,505	($32,505)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,811,867)	$1,811,867											
Amortization of capital allocations		$1,364,356	($1,364,356)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$93,748	($93,748)											
Net transfers to operating reserves			($769,311)	$769,311	$0		$121,496		$368,691		$279,124		$0	
Net transfers from operating reserves			$165,663	($165,663)	($165,663)		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$5,282,914	$2,920,283	$73,631	$2,289,000	$381,069	$5,134	$121,496	$842,532	$649,252	$0	$284,798	$4,719	$0	$0

School Jurisdiction Code: 1110

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$126,799	$21,198,793
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$126,799	$21,198,793
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$34,560	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$100,000	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$249,128	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$625,305
Expended capital allocations - current year	($386,823)	$386,823
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$147,567
Capital allocations amortized to revenue		$1,364,356
Balance at August 31, 2006	$123,664	$20,698,999

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. AUTHORITY AND PURPOSE

The Division delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Division receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Division is limited on certain funding allocations administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The precise determination of certain assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

(b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following annual rates:

Buildings	40 years
Buildings - portables	25 years
Equipment	5 years
Vehicles	5 years

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense (see Note 8).

(c) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation Pay

Vacation pay is accrued in the period in which the benefit is earned by the employee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Division does not make pension contributions for certificated staff.

The Division participates in the multi-employer pension plan, Local Authorities Pension Plan and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $493,543 (2005 - $452,814) for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 - deficiency of $1,288,924,000).

(f) Prepaid Expenses

Certain expenses incurred and paid for before the close of the fiscal year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

(g) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(h) Financial Instruments

The Division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

(i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the Division to set aside funds for future operating and capital purposes. These reserves are appropriations of unrestricted net assets.

3. ACCOUNTS RECEIVABLE

	2006	2005
Alberta Education	$ 346,315	$ 257,764
Alberta Finance	117,538	156,425
Other	95,390	26,396
Alberta Infrastructure and Transportation	72,067	1,006,211
First Nations	49,535	84,460
Federal government	43,541	200,794
Other Alberta school jurisdictions	10,820	-
Other Province of Alberta	3,266	43,048
	$ 738,472	$ 1,775,098

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Other trade payables and accrued liabilities	$ 792,879	$ 682,189
Federal government	478,823	12,204
Alberta Finance	117,538	156,425
Alberta Infrastructure and Transportation	21,000	-
Other Province of Alberta	8,749	13,910
	$ 1,418,989	$ 864,728

5. DEFERRED REVENUE

	2006	2005
Other	$ 54,444	$ 109,702
Classroom Resources	34,492	102,000
Infrastructure Maintenance Program	-	93,752
Alberta Initiative for School Improvement	59,924	89,875
Video-conferencing	-	60,000
Instruction material fees	17,183	16,187
Learning Resources credit	16,800	15,933
	$ 182,843	$ 487,449

6. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the Division for Scholarship Trusts. The School Division administers two separate trust funds which are used to pay the Frank Robinson scholarship and Halina Dudzic awards. The School Division also holds trust funds on behalf of the Sturgeon School Division Bursary Foundation and is responsible for paying an annual bursary of $600.

7. LONG-TERM DEBT

The debentures are held with Alberta Capital Finance Authority, bear interest at rates ranging from 7.5% to 12.0% and are fully supported by Alberta Finance.

Debenture payments due over the next five years and beyond are as follows:

	Debentures	Capital Lease	Total
2007	$ 480,319	$ 93,748	$ 574,067
2008	312,680	93,748	406,428
2009	227,482	-	227,482
2010	203,211	-	203,211
2011	203,211	-	203,211
Thereafter	718,416	-	718,416
	$ 2,145,319	$ 187,496	$ 2,332,815

8. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the Division but the related expenditure has not yet been made at year-end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. Unamortized capital allocations are increased by transfers of previously deferred capital allocations which are now spent, as well as fully-supported debenture principle repayments.

10. COMMITMENTS

(a) Equipment Leases

The School Division is committed to the following payments for equipment operating leases over the next five years:

2007	$ 144,634
2008	140,657
2009	132,344
2010	125,736
2011	113,982
	$ 657,353

(b) Building Leases

The Division has entered into three leases for space to operate its Learning Centres. The annual lease payments to the end of the lease term are as follows:

2007	$ 37,448
2008	12,249
2009	12,249
	$ 61,946

(c) Electricity Agreement

The Division has entered into an electrical energy purchase agreement that fixes the price of electricity for a ten year term expiring January 1, 2012.

11. CONTINGENCIES

(a) Contingent Liability

On December 15, 2000, the School Division entered into an agreement with the Minister of National Defence. Under the terms of the agreement, the School Division leases land, on which the new Guthrie School is located, from the Minister in the amount of $1.00 per annum for a period of twenty-five years commencing on September 1, 2000 and continuing until August 31, 2025. The School Division has the option to renew the lease for a further twenty-five year term under the same terms and conditions provided the School Division notifies the Minister at least twelve months prior to the expiry of the present lease term of its intention to exercise this option.

Additionally, upon termination of the lease by either the School Division or the Minister, the School Division shall, at the choice of the Minister either, convey ownership of the new Guthrie School to the Minister for nominal consideration of $1.00, or demolish the school at its sole expense.

(b) Contingent Asset

The School Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the School Division can liquidate.

12. RELATED PARTY TRANSACTIONS

The Division is controlled by the Government of Alberta. Transactions between the Division and the Government of Alberta and related balances are disclosed on the Statement of Revenues and Expenses and the Statement of Financial Position and in notes 3, 4, 5, and 7.

The transactions are recorded at their exchange amounts as agreed to by the related parties.

13. ECONOMIC DEPENDENCE

The Division's primary source of revenue is received from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

14. ADDITIONAL CASH FLOW INFORMATION

The Division's cash payments for interest on long-term debt during 2006 were $286,546 (2005 - $364,599).

The Division received cash interest payments of $112,680 during 2006 (2005 - $80,396).

15. BUDGET FIGURES

The budget was prepared by the Division and approved by the Board of Trustees. It is presented for information purposes only.

SCHEDULE A to the AFS

School Jurisdiction Cod 1110

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$38,381,814	$28,818,553	$3,742,567	$4,061,393	$1,759,301	$0
(2) **Alberta Infrastructure & Transportation**	$0	$0	$0			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$410,800	$117,927	$250,926	$0	$41,947	$0
(5) **Federal Government and/or First Nations**	$474,585	$433,740	$26,860	$0	$13,985	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$21,554	$21,554	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$239,241	$239,241				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$597,623	$290,937	$14,596	$5,324	$96,585	$190,181
(12) **Investment income**	$112,678	$96,903	$11,268	$0	$4,507	$0
(13) **Gifts and donations**	$15,000	$15,000	$0	$0		$0
(14) **Rentals of facilities**	$0	$0	$0	$0	$0	$0
(15) **Net school generated funds**	$840,851	$840,851			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,364,356	$0	$1,364,356	$0		$0
(18) **TOTAL REVENUES**	$42,458,503	$30,874,706	$5,410,572	$4,066,717	$1,916,326	$190,181
EXPENSES						
(19) **Certificated salaries**	$20,797,621	$20,435,299			$271,470	$90,852
(20) **Certificated benefits**	$2,088,106	$2,060,366			$18,343	$9,397
(21) **Uncertificated salaries and wages**	$7,036,389	$4,478,250	$1,615,523	$259,599	$605,444	$77,573
(22) **Uncertificated benefits**	$1,527,399	$1,001,354	$354,403	$50,732	$108,551	$12,359
(23) **SUB - TOTAL**	$31,449,515	$27,975,269	$1,969,926	$310,331	$1,003,808	$190,181
(24) **Services, contracts & supplies**	$8,351,318	$2,793,813	$1,654,292	$3,456,718	$446,495	$0
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$840,851	$840,851				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,364,356	$0	$1,364,356	$0	$0	$0
(28) Unsupported	$447,511	$273,539	$55,742	$40,900	$77,330	$0
(29) Total Amortization	$1,811,867	$273,539	$1,420,098	$40,900	$77,330	$0
Interest on capital debt						
(30) Supported	$247,659	$0	$247,659	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$42,701,211	$31,883,472	$5,291,975	$3,807,949	$1,527,633	$190,181
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	($242,708)	($1,008,767)	$118,597	$258,768	$388,693	$0

School Jurisdiction Code: 1110

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$972,148
Base Instruction (Gr 1-12)	$20,449,086
Outreach Programs	$156,060
Home Education	$5,088
Differential Cost Funding *	$10,875,830
Other Provincial Support	
Institutional Programs	$376,058
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$36,615
Provincial Priority Targeted Funding	
Class Size Initiative	$860,644
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$581,514
High Speed Networking	$78,546
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$247,659
Other Alberta Education Revenues (describe): Operation and Maintenance	$3,742,567
Total Alberta Education Revenues	$38,381,814

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1110

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$18,040,427	$1,946,608	$1,956,793		$0	$1,114,391	$23,058,219
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$845,900	$570,299	$75,000		$0		$1,491,199
ECS Program Unit (PUF)	$438,280	$809,441	$360,651		$0		$1,608,372
Severe Disabilities (Gr 1-12)	$1,649,168	$2,032,826	$100,000		$0		$3,781,994
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$30,520	$0	$0		$0		$30,520
Institutional Programs	$302,138	$111,153	$57,720		$0		$471,011
Alberta Initiative for School Improvement	$328,587	$9,277	$243,649	$0	$0		$581,513
Student Health Initiative	$0	$0			$0		$0
High Speed Networking			$0		$0		$0
Class Size	$860,644	$0	$0	$0	$0		$860,644
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$0	$0	$0	$0	$0	$0	$0
TOTAL EXPENSES	$22,495,664	$5,479,604	$2,793,813	$0	$0	$1,114,391	$31,883,472

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	11.0	17.0
ECS Program Unit (PUF)	5.0	19.3
Severe Disabilities (Gr 1-12)	21.4	57.0

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1110

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	$42,701,211

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	4.95%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,113,710
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,113,710**
Less: 2005/2006 Board and System Administration expenses		-$1,527,633
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$586,077

School Jurisdiction Code: 1110

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$342,598
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$427,318	$323,607	$103,711	
Student fees (Non-Instructional) (Note 2)	$697,951	$0	$697,951	
Donations and grants to schools	$26,697	$0	$26,697	
Other (describe): Adjustment to Prior Year	$0	$0	$0	
Net Additions to SGF	$1,151,966	$323,607		$828,359
Net SGF Available for Spending				$1,170,957
Application of Net School Generated Funds:				
Extra-curricular activities			$700,816	
School site beautification			$5,449	
Field Trips			$110,924	
Equipment			$23,662	
Family literacy and other community resources			$0	
Other (describe): Adjustment to Prior Year			$40,161	
Net SGF Expended (Note 3)				$881,012
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$289,944

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1110

SCHEDULE F to the AFS

Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,156,737	$335,334	$0	$0	$123,452	$1,615,523		$1,615,523
Uncertificated benefits	$260,456	$68,586	$0	$0	$25,361	$354,403		$354,403
Sub-total Remuneration	$1,417,193	$403,920	$0	$0	$148,813	$1,969,926		$1,969,926
Contracted Services	$0	$79,279	$0	$431,307	$12,083	$522,669		$522,669
Supplies	$81,455	$49,871	$0	$0	$2,342	$133,668		$133,668
Electricity			$411,027			$411,027		$411,027
Natural Gas/Heating Fuel			$403,612			$403,612		$403,612
Sewer and Water			$53,633			$53,633		$53,633
Telecommunications			$5,200			$5,200		$5,200
Insurance					$124,483	$124,483		$124,483
Amortization of capital assets								
Supported							$1,364,356	$1,364,356
Unsupported						$55,742		$55,742
Total Amortization						$55,742	$1,364,356	$1,420,098
Interest on capital debt								
Supported							$247,659	$247,659
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,498,648	$533,070	$873,472	$431,307	$287,721	$3,679,960	$1,612,015	$5,291,975
SQUARE METRES								
School Buildings								55,729.0
Non School Buildings								1,481.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

SCHEDULE G to the AFS

School Jurisdiction Code: 1110

DISCLOSURE OF SALARIES AND BENEFITS - 2005-200

(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Terry Jewell	1.0	$16,901	$552	$0			$17,453	$5,311
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Careen Fundytus	1.0	$16,078	$495	$0			$16,573	$4,297
Name	Fred Hrynchuk	1.0	$17,478	$548	$0			$18,026	$2,955
Name	Robert Milligan	1.0	$15,828	$487	$0			$16,315	$2,116
Name	Gail Homer	1.0	$18,078	$554	$0			$18,632	$4,383
Name	Penny Frazier	1.0	$15,628	$468	$0			$16,096	$785
Name	Wendy Miller	1.0	$16,628	$520	$0			$17,148	$4,048
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$116,619*	*$3,623*	*$0*			*$120,242*	*$23,895*
Superintendent	Evan Miller	1.0	$137,000	$9,394	$0	$0	$0	$146,394	$11,623
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Karen Parasynchuk	1.0	$110,970	$11,077	$0	$0	$0	$122,047	$3,639
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		278.0	$20,660,621	$2,078,712	$0	$0	$0	$22,739,333	
Uncertificated Salaries & Wages		210.6	$6,808,801	$1,512,699	$0	$0	$0	$8,321,500	
TOTALS			**$27,834,011**	**$3,615,505**	**$0**	**$0**	**$0**	**$31,449,516**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 0012

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Suzuki Charter School Society
Legal Name of School Jurisdiction

7211 - 96 A Avenue, Edmonton Alberta T6B 1B5
Mailing Address

Phone: (780) 468-2598 Fax: (780) 463-8630
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Suzuki Charter School Society (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Derek Aschenbreenner	**"ORIGINAL SIGNED"**
Name	Signature

SUPERINTENDENT

Bruce McIntosh	**"ORIGINAL SIGNED"**
Name	Signature

SECRETARY TREASURER OR TREASURER

Heather Christison	**"ORIGINAL SIGNED"**
Name	Signature

23-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 0012

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THC
Tober Hembling Callihoo
Chartered Accountants

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AUDITORS' REPORT

To the Board of Directors
Suzuki Charter School Society

We have audited the statement of financial position of the Suzuki Charter School Society as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the charter school's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the charter school as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Tober Hembling Callihoo
Chartered Accountants

Edmonton, Alberta

November 21, 2006

School Jurisdiction Code: 0012

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$79,332	$37,118
Accounts receivable (net after allowances)		$108,576	$65,546
Prepaid expenses		$12,873	$5,262
Other current assets		$0	$0
Total current assets		$200,781	$107,926
School generated assets		$59,623	$26,251
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$480,567		
Less: accumulated amortization	($42,570)	$437,997	$457,221
Equipment	$177,904		
Less: accumulated amortization	($86,237)	$91,667	$75,659
Vehicles	$0		
Less: accumulated amortization	$0	$0	$0
Total capital assets		$529,664	$532,880
TOTAL ASSETS		$790,067	$667,057
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$83,639	$63,453
Deferred revenue		$0	$41,137
Deferred capital allocations		$1,659	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$85,298	$104,590
School generated liabilities		$59,623	$26,251
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$0	$0
Less: Current portion of supported debt		$0	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$421,534	$410,738
Total long term liabilities		$481,157	$436,989
TOTAL LIABILITIES		$566,455	$541,579
NET ASSETS			
Unrestricted net assets		$115,483	$3,336
Operating Reserves		$0	$0
Accumulated Operating Surplus (Deficit)		$115,483	$3,336
Investment in capital assets		$108,130	$122,142
Capital Reserves		$0	$0
Total Capital Funds		$108,130	$122,142
Total net assets		$223,613	$125,478
TOTAL LIABILITIES AND NET ASSETS		$790,067	$667,057

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 0012

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$1,348,214	$1,256,286	$1,135,843
Federal Government and/or First Nations	$1,176	$6,000	$0
Other Alberta school authorities	$0	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$12,000	$15,500	$12,100
Transportation fees	$0	$0	$0
Other sales and services	$75,313	$65,595	$58,699
Investment income	$49	$0	$348
Gifts and donations	$0	$0	$0
Rentals of facilities	$36,970	$38,288	$39,165
Net school generated funds	$20,895	$38,000	$24,301
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$17,545	$0	$0
Total Revenues	$1,512,161	$1,419,669	$1,270,456
EXPENSES			
Certificated salaries	$628,664	$615,072	$522,711
Certificated benefits	$80,579	$65,896	$59,235
Uncertificated salaries and wages	$251,082	$213,398	$202,623
Uncertificated benefits	$28,397	$40,141	$27,217
Services, contracts and supplies	$372,496	$419,567	$419,914
Net school generated funds	$20,895	$65,595	$24,301
Capital and debt services			
Amortization of capital assets			
Supported	$17,545	$0	$0
Unsupported	$14,012	$0	$7,548
Total Amortization of capital assets	$31,557	$0	$7,548
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$357	$0	$675
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$1,414,027	$1,419,669	$1,264,224
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$98,135	$0	$6,232
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$98,135	$0	$6,232

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 0012

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$98,135	$6,232
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($17,545)	$0
Total amortization expense	$31,557	$7,548
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	($43,030)	$215,983
Prepaids and other current assets	($7,611)	$5,152
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$20,186	($236,230)
Deferred revenue	($41,137)	($3,125)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$40,555	($4,440)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	($18,010)
Equipment	($28,341)	($49,797)
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($28,341)	($67,807)
C. FINANCING ACTIVITIES		
Capital allocations	$30,000	$24,538
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$30,000	$24,538
Net sources (uses) of cash during year	$42,214	($47,709)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$37,118	$84,827
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$79,332	$37,118

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 0012

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$125,478	$122,142	$3,336	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$125,478	$122,142	$3,336	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Excess(def) of revenue over expenses	$98,135		$98,135											
Board funded capital transactions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($31,557)	$31,557											
Amortization of capital allocations		$17,545	($17,545)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$223,613	$108,130	$115,483	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

School Jurisdiction Code: 0012

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$0	$410,738
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$0	$410,738
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$30,000	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$0
Expended capital allocations - current year		($28,341)	$28,341
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$17,545
Balance at August 31, 2006		$1,659	$421,534

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and Purpose

The Society delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The Society receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Society is limited on certain funding allocations and administration expenses.

2. Significant Accounting Policies

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

b) School Generated Funds

These are funds raised in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level.

c) Contributed Services

Volunteers assist the Society in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

d) Capital Assets

Capital assets are amortized commencing in the fiscal year following the year of acquisition on a straight line basis over the estimated useful life of the asset as follows

Buildings	25 years
Computer equipment	5 years
Musical equipment	10 years
Stage equipment	10 years

Only capital assets with cost in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

2. Significant Accounting Policies (continued)

e) Financial Instruments

The Society's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Society has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

f) Measurement Uncertainty

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in these notes.

g) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teacher Pension Plan Act, Suzuki Charter School Society does not make pension contributions for certificated staff.

3. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Buildings	$ 480,567	$ 42,570	$ 437,997	$ 457,221
Equipment				
Computer equipment	$ 55,020	$ 55,020	$ 0	$ 0
Musical equipment	30,860	8,006	22,854	25,940
Other equipment	92,024	23,211	68,813	49,719
Total equipment	$ 177,904	$ 86,237	$ 91,667	$ 75,659

4. Accounts Receivable

	2006	2005
Accounts receivable consists of the following:		
Alberta Infrastructure and Transportation	$ 82,273	$ 46,633
Federal Government	9,054	16,972
Other	17,249	1,941
	$ 108,576	$ 65,546

5. Deferred Capital Allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the Society, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

6. Unamortized Capital Allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent.

7. Budget Amounts

The budget was prepared by the Charter School's management and approved by the Board of Directors'. It is presented for information purposes only and has not been audited.

8. Economic Dependence

Suzuki Charter School Society's primary source of income is from the Alberta Government. The ability to continue viable operations is dependent on this funding.

9. Comparative Figures

Comparative figures have been reclassified where necessary to conform with current year presentation.

SCHEDULE A to the AFS

School Jurisdiction Cod 0012

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$1,348,214	$905,993	$325,001	$59,998	$57,222	$0
(2) **Alberta Infrastructure & Transportation**	$0	$0	$0			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$0	$0	$0	$0	$0	$0
(5) **Federal Government and/or First Nations**	$1,176	$1,176	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$0	$0	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$12,000	$12,000				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$75,313	$0	$0	$0	$0	$75,313
(12) **Investment income**	$49	$49	$0	$0	$0	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$36,970	$36,970	$0	$0	$0	$0
(15) **Net school generated funds**	$20,895	$20,895			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$17,545	$0	$17,545	$0		$0
(18) **TOTAL REVENUES**	$1,512,161	$977,082	$342,546	$59,998	$57,222	$75,313
EXPENSES						
(19) **Certificated salaries**	$628,664	$604,294			$12,000	$12,370
(20) **Certificated benefits**	$80,579	$79,700			$228	$651
(21) **Uncertificated salaries and wages**	$251,082	$168,053	$21,454	$0	$34,504	$27,071
(22) **Uncertificated benefits**	$28,397	$20,998	$1,210	$0	$5,561	$629
(23) **SUB - TOTAL**	$988,722	$873,045	$22,663	$0	$52,292	$40,721
(24) **Services, contracts & supplies**	$372,496	$80,642	$221,338	$59,540	$3,916	$7,060
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$20,895	$20,895				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$17,545		$17,545	$0	$0	$0
(28) Unsupported	$14,012	$10,939	$3,073	$0	$0	$0
(29) Total Amortization	$31,557	$10,939	$20,618	$0	$0	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$357	$323	$0	$0	$0	$34
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$1,414,027	$985,844	$264,619	$59,540	$56,208	$47,815
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$98,135	($8,762)	$77,927	$458	$1,014	$27,498

School Jurisdiction Code: 0012

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$100,192
Base Instruction (Gr 1-12)	$696,841
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$290,250
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$190
Provincial Priority Targeted Funding	
Class Size Initiative	$20,981
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$17,126
High Speed Networking	$0
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): Lease support	$222,636
Total Alberta Education Revenues	$1,348,214

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 0012

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$0	$104,677	$94,194		$0	$33,551	$232,422
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$0	$0		$0		$0
ECS Program Unit (PUF)	$0	$0	$0		$0		$0
Severe Disabilities (Gr 1-12)	$0	$29,181	$2,675		$0		$31,856
English as a Second Language	$2,770	$0	$0		$0		$2,770
French Language Program & Francisation (all jurisdictions)	$41,778	$0	$3,790		$0		$45,568
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$0	$5,222	$11,895	$0	$0		$17,117
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$0		$0		$0
Class Size	$20,981	$0	$0	$0	$0		$20,981
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$617,708	$0	$4,013	$3,084	$0	$0	$635,131
TOTAL EXPENSES	$683,236	$139,080	$116,566	$3,084	$0	$33,551	$985,844

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	0.0
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.0	1.0

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 0012

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$1,414,027**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**0.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$0
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$57,222	$57,222
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$57,222**
Less: 2005/2006 Board and System Administration expenses		-$56,208
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$1,014

School Jurisdiction Code: 0012

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$26,251
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$118,112	$77,025	$41,086	
Student fees (Non-Instructional) (Note 2)	$13,177	$0	$13,177	
Donations and grants to schools	$0	$0	$0	
Other (describe): interest	$3	$0	$3	
Net Additions to SGF	$131,292	$77,025		$54,266
Net SGF Available for Spending				$80,517
Application of Net School Generated Funds:				
Extra-curricular activities			$1,655	
School site beautification			$0	
Field Trips			$16,362	
Equipment			$2,849	
Family literacy and other community resources			$0	
Other (describe): bank charges			$29	
Net SGF Expended (Note 3)				$20,895
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$59,623

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 0012

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$0	$21,454	$21,454		$21,454
Uncertificated benefits	$0	$0	$0	$0	$1,210	$1,210		$1,210
Sub-total Remuneration	$0	$0	$0	$0	$22,663	$22,663		$22,663
Contracted Services	$24,032	$161,943	$0	$0	$0	$185,975		$185,975
Supplies	$0	$1,187	$0	$0	$11,397	$12,584		$12,584
Electricity			$0			$0		$0
Natural Gas/Heating Fuel			$0			$0		$0
Sewer and Water			$0			$0		$0
Telecommunications			$8,550			$8,550		$8,550
Insurance					$14,229	$14,229		$14,229
Amortization of capital assets								
Supported							$17,545	$17,545
Unsupported						$3,073		$3,073
Total Amortization						$3,073	$17,545	$20,618
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$24,032	$163,130	$8,550	$0	$48,289	$247,074	$17,545	$264,619
SQUARE METRES								
School Buildings								2,158.7
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 0012

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Derek Aschenbrenner	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Doug Farrus	1.0	$0	$0	$0			$0	$0
Name	Rob Fediuk	1.0	$0	$0	$0			$0	$0
Name	Doug Skovberg	1.0	$0	$0	$0			$0	$0
Name	Alison Schneider	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*5.0*	*$0*	*$0*	*$0*			*$0*	*$0*
Superintendent	Bruce McIntosh	1.0	$12,000	$228	$0	$0	$0	$12,228	$0
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Heather Christison	1.0	$55,958	$6,771	$0	$0	$0	$62,729	$0
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		10.6	$616,664	$80,351	$0	$0	$0	$697,015	
Uncertificated Salaries & Wages		4.3	$195,124	$21,626	$0	$0	$0	$216,750	
TOTALS			**$879,746**	**$108,976**	**$0**	**$0**	**$0**	**$988,722**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 109

AUDITED FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Westmount Charter School Society
Legal Name of School Jurisdiction

2519 Richmond Road SW, Calgary AB T3E 4M2
Mailing Address

Phone 403/217-0426 Fax: 403/217-0252
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Westmount Charter School Society (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

T. D. Regehr	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT

M. O. Kurtz	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER

M. A. O'Hara	"ORIGINAL SIGNED"
Name	Signature

21-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 109

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AUDITOR'S REPORT

To the Members of the Board
Westmount Charter School Society

I have audited the statement of financial position of the Westmount Charter School Society as at August 31, 2006 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Society's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in the schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lawrence A. Lim

Calgary, Alberta
November 6, 2006

Chartered Accountant

School Jurisdiction Code: 109

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$260,408	$381,119
Accounts receivable (net after allowances)		$185,966	$174,209
Prepaid expenses		$122,823	$111,630
Other current assets		$0	$0
Total current assets		$569,197	$666,958
School generated assets		$59,771	$31,643
Trust assets		$0	$0
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$0	$0
Buildings	$0		
Less: accumulated amortization	$0	$0	$0
Equipment	$0		
Less: accumulated amortization	$0	$0	$0
Vehicles	$0		
Less: accumulated amortization	$0	$0	$0
Total capital assets		$0	$0
TOTAL ASSETS		$628,968	$698,601
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$207,831	$241,253
Deferred revenue		$161,875	$144,770
Deferred capital allocations		$0	$0
Current portion of all long term debt		$0	$0
Total current liabilities		$369,706	$386,023
School generated liabilities		$59,771	$31,643
Trust liabilities		$0	$0
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$0	$0
Less: Current portion of supported debt		$0	$0
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$0	$0
Total long term liabilities		$59,771	$31,643
TOTAL LIABILITIES		$429,477	$417,666
NET ASSETS			
Unrestricted net assets		$199,491	$169,565
Operating Reserves		$0	$111,370
Accumulated Operating Surplus (Deficit)		$199,491	$280,935
Investment in capital assets		$0	$0
Capital Reserves		$0	$0
Total Capital Funds		$0	$0
Total net assets		$199,491	$280,935
TOTAL LIABILITIES AND NET ASSETS		$628,968	$698,601

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 109

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$7,244,370	$7,093,731	$6,818,570
Federal Government and/or First Nations	$3,920	$0	$0
Other Alberta school authorities	$1,500	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$204,194	$193,156	$196,045
Transportation fees	$263,811	$276,550	$197,177
Other sales and services	$48,586	$26,769	$21,483
Investment income	$8,950	$8,000	$13,366
Gifts and donations	$88,222	$37,615	$66,719
Rentals of facilities	$3,000	$3,000	$3,000
Net school generated funds	$135,826	$52,180	$107,145
Gains on disposal of capital assets	$0	$0	$0
Amortization of capital allocations	$0	$0	$0
Total Revenues	$8,002,379	$7,691,001	$7,423,505
EXPENSES			
Certificated salaries	$3,778,100	$3,736,860	$3,496,669
Certificated benefits	$343,126	$348,917	$351,024
Uncertificated salaries and wages	$637,969	$567,147	$558,196
Uncertificated benefits	$91,673	$104,194	$90,672
Services, contracts and supplies	$3,097,129	$2,818,823	$2,907,104
Net school generated funds	$135,826	$52,180	$107,145
Capital and debt services			
Amortization of capital assets			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Amortization of capital assets	$0	$0	$0
Interest on capital debt			
Supported	$0	$0	$0
Unsupported	$0	$0	$0
Total Interest on capital debt	$0	$0	$0
Other interest charges	$0	$0	$0
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$8,083,823	$7,628,121	$7,510,810
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	($81,444)	$62,880	($87,305)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	($81,444)	$62,880	($87,305)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	($81,444)	($87,305)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	$0	$0
Total amortization expense	$0	$0
Gains on disposal of capital assets	$0	$0
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	($11,757)	$582,384
Prepaids and other current assets	($11,193)	($36,121)
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($33,422)	($373,237)
Deferred revenue	$17,105	($3,198)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	($120,711)	$82,523
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	$0	$0
Equipment	$0	$0
Vehicles	$0	$0
Net proceeds from disposal of capital assets	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	$0	$0
C. FINANCING ACTIVITIES		
Capital allocations	$0	$0
Issue of long term debt	$0	$0
Repayment of long term debt	$0	$0
Add back: supported portion	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$0	$0
Net sources (uses) of cash during year	($120,711)	$82,523
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$381,119	$298,596
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$260,408	$381,119

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 109

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006
(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$280,935	$0	$169,565	$111,370	$48,370	$0	$0	$0	$0	$0	$63,000	$0	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$280,935	$0	$169,565	$111,370	$48,370	$0	$0	$0	$0	$0	$63,000	$0	$0	$0
Excess(def) of revenue over expenses	($81,444)		($81,444)											
Board funded capital transactions		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		$0	$0											
Amortization of capital allocations		$0	$0											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers from operating reserves			$111,370	($111,370)	($48,370)		$0		$0		($63,000)		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$199,491	$0	$199,491	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

School Jurisdiction Code: 109

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$0	$0
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$0	$0
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$0	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$0	
Interest earned on provincial government capital allocations		$0	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$0
Expended capital allocations - current year		$0	$0
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$0
Balance at August 31, 2006		$0	$0

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

WESTMOUNT CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2006

NOTE 1 - GENERAL

The ABC Charter Public School Society (the Society) was incorporated on August 9, 2000 under the laws of the Societies Act of Alberta. The Society's main purpose was to operate the ABC Charter Public School which had previously been operated as a division of the Action for Bright Children (Calgary Society). The Calgary Society was approved to open and operate a Charter School in Calgary which commenced operations August 1, 1996 and transferred the charter to the Society effective for the beginning of the 2000 - 2001 school year. On November 15, 2002, the Society changed its name to Westmount Charter School Society. These financial statements are presented to include the assets, liabilities and operations of Westmount Charter School Society from the commencement of operations in 1996.

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administrative expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Externally restricted contributions are deferred and recognized as revenue in the year in which the restriction is complied with.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. The School's policy is to capitalize only those individual capital assets with a cost in excess of $5,000 and amortize these assets over their useful lives. All other capital assets are charged to expense in the year incurred or contributed.

School Generated Funds

These are funds which come under the control and responsibility of the school principal for school activities. They are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Westmount Charter School Society does not make pension contributions for certificated staff.

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for school supplies which will be consumed subsequent to year end, and are accordingly recorded as prepaid expenses.

Contributed Services

Volunteers contribute a considerable number of hours each year to assist the School in carrying out certain programs, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that the services are not otherwise purchased, contributed services are not recognized in the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

The Society's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Society has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Operating Reserves

Reserves are established at the discretion of the Board of Trustees to set aside funds for certain operating purposes. Such reserves are appropriations of unrestricted net assets.

Employee Future Benefits

The Society does not provide a future benefit plan to its employees and therefore no such obligations have been expensed or accrued in these financial statements.

NOTE 3 - SHORT TERM INVESTMENT

Short term investment is valued at the lower of cost or market and consists of a variable rate guaranteed investment certificate as follows;

	August 31	
	2006	2005
Bank of Montreal variable rate GIC maturing January 13, 2006	$ -	$ 7,000
Bank of Montreal variable rate GIC maturing January 12, 2007	7,000	-
	$ 7,000	$ 7,000

The purpose of this short term investment is to provide collateral security to the bank for the outstanding credit card balances owing.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	August 31	
	2006	2005
Alberta Education	$ 130,924	$ 7,185
Alberta Infrastructure and transportation	7,349	107,691
GST recoverable from Federal Government	32,417	31,025
Other	15,276	28,308
	$ 185,966	$ 174,209

NOTE 5 - CAPITAL ASSETS

During the year, the Society purchased furniture and computer equipment in the amount of $113,182 (2005 - $88,042) which, in accordance with its capital asset policy in Note 2, has been charged to expense.

During the year, the Society received donated furniture and computer equipment with an estimated fair value of $21,482 (2005 - $18,115) which, in accordance with its capital asset policy in Note 2, has been charged to expense.

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable consists of the following:

	August 31	
	2006	2005
Alberta Education	$ 5,484	$ 29,145
Other Alberta School Jurisdictions	83,405	126,456
Other trade payables and accrued liabilities	118,942	85,652
	$ 207,831	$ 241,253

NOTE 7 - DEFERRED REVENUE

Deferred revenue consists of the following:

	August 31	
	2006	2005
Prepaid student fees	$ 86,336	$ 48,002
Prepaid furniture and equipment	32,926	45,185
Summerstock production surplus	32,268	15,558
Restricted donations	7,870	3,334
LRC credits	2,475	3,552
2004-2005 one time funding for classroom resources	-	20,000
Alberta Initiative for School Improvement	-	9,109
	$ 161,875	$ 144,770

The Society has received cash in the amount of $7,870 (2005 - $3,334) which has specific terms of usage and has been recorded as a restricted donation. These funds have been deferred and will be recognized as revenue when the funds are spent on their designated purpose.

NOTE 8 - LEASE COMMITMENTS

The Society has a proposed lease with The Calgary Board of Education for its premises which expires on July 31, 2011 and has estimated scheduled minimum rent payments of $1,058,030 per annum.

The Society also has a lease commitment relating to various office equipment which expires on August 25, 2010 and has scheduled lease payments of $39,355 per annum.

NOTE 9 - SCHOOL GENERATED FUNDS

Net SGF revenue and net SGF expense include operations from school council, who maintain a separate bank account.

NOTE 10 - LEASING COSTS

The School moved into new premises effective August 1, 2001 and signed a 5 year lease with The Calgary Board of Education as described in note 8. The funding received from Alberta Learning for lease support is based on a similar formula as the lease, but is calculated and paid over the school year (September to August) instead of the lease year (August to July). As the lease was not signed until well into the 2001 - 2002 school year, no amount of rent from this lease for August, 2001 ($25,935) was included in the 2000 - 2001 financial statements, and the extra month was included in the 2001 - 2002 financial statements. Due to the ongoing growth at the school, the rent charges increase each August to account for the additional space occupied by the school, while the funding increases in September, which increases the differential between the amounts paid for rent and the funding received for lease costs. The differential as at August 31, 2006 of $88,169 (2005 - $88,169) has not been recorded in these financial statements as this timing difference is expected to continue indefinitely.

NOTE 11 - INTERNALLY RESTRICTED NET ASSETS

During the year, the Board approved a motion to utilize the transportation reserve of $63,000 as an offset against 2005 - 2006 transportation costs. In 2002, the Board approved the transfer from accumulated operating surplus' of $100,000 to be used as a reserve against the future costs of expansion of the school. Subsequent to year end, the Board approved a motion to apply the remainder of this reserve, $48,370, towards designated high school expenditures from 2005 - 2006.

NOTE 12 - ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Westmount Charter School Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependent on this funding.

NOTE 13 - BUDGET AMOUNTS

The budget was prepared by the Society and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 109

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$6,137,572	$5,202,450	$577,643	$300,257	$57,222	$0
(2) **Alberta Infrastructure & Transportation**	$1,093,068	$0	$1,093,068			
(3) **Alberta Finance**	$0		$0			$0
(4) **Other - Government of Alberta**	$13,730	$9,285	$0	$0	$4,445	$0
(5) **Federal Government and/or First Nations**	$3,920	$3,920	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$1,500	$1,500	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$204,194	$204,194				
(10) **Transportation fees**	$263,811			$263,811		
(11) **Other sales and services**	$48,586	$0	$0	$0	$0	$48,586
(12) **Investment income**	$8,950	$0	$0	$0	$8,950	$0
(13) **Gifts and donations**	$88,222	$88,222	$0	$0		$0
(14) **Rentals of facilities**	$3,000	$0	$0	$0	$3,000	$0
(15) **Net school generated funds**	$135,826	$135,826			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$0	$0	$0	$0		$0
(18) **TOTAL REVENUES**	$8,002,379	$5,645,397	$1,670,711	$564,068	$73,617	$48,586
EXPENSES						
(19) **Certificated salaries**	$3,778,100	$3,778,100			$0	$0
(20) **Certificated benefits**	$343,126	$343,126			$0	$0
(21) **Uncertificated salaries and wages**	$637,969	$386,364	$50,752	$11,065	$169,517	$20,271
(22) **Uncertificated benefits**	$91,673	$60,544	$7,298	$1,180	$21,626	$1,025
(23) **SUB - TOTAL**	$4,850,868	$4,568,134	$58,050	$12,245	$191,143	$21,296
(24) **Services, contracts & supplies**	$3,097,129	$678,175	$1,613,413	$614,823	$163,428	$27,290
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$135,826	$135,826				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$0	$0	$0	$0	$0	$0
(28) Unsupported	$0	$0	$0	$0	$0	$0
(29) Total Amortization	$0	$0	$0	$0	$0	$0
Interest on capital debt						
(30) Supported	$0	$0	$0	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$0	$0	$0	$0	$0	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$8,083,823	$5,382,135	$1,671,463	$627,068	$354,571	$48,586
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	($81,444)	$263,262	($752)	($63,000)	($280,954)	$0

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$134,832
Base Instruction (Gr 1-12)	$4,372,041
Outreach Programs	$0
Home Education	$0
Differential Cost Funding *	$1,302,792
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$12,940
Provincial Priority Targeted Funding	
Class Size Initiative	$146,429
Student Health Initiative (SHI)	$0
Alberta Initiative for School Improvement (AISI)	$113,422
High Speed Networking	$5,116
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe): Deferred Classroom Resources ($20K); Video Conferencing Grant ($30K)	$50,000
Total Alberta Education Revenues	$6,137,572

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 109

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$62,724	$298,753	$207,783		$0	$86,821	$656,081
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$282,096	$22,722	$50,185		$0		$355,003
ECS Program Unit (PUF)	$380	$3,374	$4,520		$0		$8,274
Severe Disabilities (Gr 1-12)	$30,326	$122,059	$0		$0		$152,385
English as a Second Language	$28,722	$0	$0		$0		$28,722
French Language Program & Francisation (all jurisdictions)	$64,058	$0	$0		$0		$64,058
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$0		$0		$0
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$57,324	$0	$56,088	$0	$0		$113,412
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$6,187		$0		$6,187
Class Size	$160,295	$0	$916	$0	$0		$161,211
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$3,435,301	$0	$108,292	$242,226	$0	$49,005	$3,836,802
TOTAL EXPENSES	$4,121,226	$446,908	$433,971	$242,226	$0	$135,826	$5,382,135

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	4.0	0.5
ECS Program Unit (PUF)	0.0	0.0
Severe Disabilities (Gr 1-12)	0.5	3.5

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 109

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$8,083,823**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**6.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$485,029
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$57,222	$485,029
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$485,029**
Less: 2005/2006 Board and System Administration expenses		-$354,571
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$130,458

School Jurisdiction Code: 109

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$31,643
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$41,375	$7,431	$33,944	
Student fees (Non-Instructional) (Note 2)	$127,580	$0	$127,580	
Donations and grants to schools	$2,041	$37	$2,004	
Other (describe): Bank Interest School Council	$426	$0	$426	
Net Additions to SGF	$171,422	$7,468		$163,954
Net SGF Available for Spending				$195,597
Application of Net School Generated Funds:				
Extra-curricular activities			$73,051	
School site beautification			$185	
Field Trips			$26,048	
Equipment			$22,957	
Family literacy and other community resources			$3,606	
Other (describe): Bank charges ($15), Donations ($1073), Graduation Expenses ($8891)			$9,979	
Net SGF Expended (Note 3)				$135,826
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$59,771

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 109

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$0	$0	$0	$0	$50,752	$50,752		$50,752
Uncertificated benefits	$0	$0	$0	$0	$7,298	$7,298		$7,298
Sub-total Remuneration	$0	$0	$0	$0	$58,050	$58,050		$58,050
Contracted Services	$0	$1,582,741	$0	$0	$0	$1,582,741		$1,582,741
Supplies	$0	$371	$0	$15,037	$0	$15,408		$15,408
Electricity			$0			$0		$0
Natural Gas/Heating Fuel			$0			$0		$0
Sewer and Water			$0			$0		$0
Telecommunications			$0			$0		$0
Insurance					$15,264	$15,264		$15,264
Amortization of capital assets								
Supported							$0	$0
Unsupported						$0		$0
Total Amortization						$0	$0	$0
Interest on capital debt								
Supported							$0	$0
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$0	$1,583,112	$0	$15,037	$73,314	$1,671,463	$0	$1,671,463
SQUARE METRES								
School Buildings								9,833.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 109

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	T. D. Regehr	1.0	$0	$0	$0			$0	$470
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	J. Hoad	1.0	$0	$0	$0			$0	$0
Name	J. Frank	1.0	$0	$0	$0			$0	$0
Name	A. Gray	1.0	$0	$0	$0			$0	$0
Name	M. Macisaac	1.0	$0	$0	$0			$0	$0
Name	A. Milne	1.0	$0	$0	$0			$0	$0
Name	M. Pyryt	0.8	$0	$0	$0			$0	$0
Name	S. Mendaglio	0.2	$0	$0	$0			$0	$0
Name	K. Roberts-Guichon	0.8	$0	$0	$0			$0	$0
Name	H. Posamentier	0.2	$0	$0	$0			$0	$0
Name	S. Shepherd	1.0	$0	$0	$0			$0	$0
Name	L. Westwood	1.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*10.0*	*$0*	*$0*	*$0*			*$0*	*$470*
Superintendent	M. O. Kurtz (contracted position)	0.5	$106,207	$570	$0	$0	$0	$106,777	$1,307
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	M. A. O'Hara	1.0	$73,859	$7,155	$0	$0	$0	$81,014	$117
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		57.0	$3,778,100	$343,126	$0	$0	$0	$4,121,226	
Uncertificated Salaries & Wages		15.7	$564,110	$84,518	$0	$0	$0	$648,628	
TOTALS			**$4,522,276**	**$435,369**	**$0**	**$0**	**$0**	**$4,957,645**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 56

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Westwind School Division No. 74
Legal Name of School Jurisdiction

Box 10 Cardston, AB T0K 0K0
Mailing Address

Tele: (403)653-4991 Fax: (403)653-4641
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Westwind School Division No. 74 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Clark Hardy	"ORIGINAL SIGNED"
Name	**Signature**

SUPERINTENDENT

Douglas Bennett	"ORIGINAL SIGNED"
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Dexter Durfey	"ORIGINAL SIGNED"
Name	**Signature**

6-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION**, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 56

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Young Parkyn McNab LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Board of Trustees
Westwind School Division #74

We have audited the statement of financial position of the Westwind School Division #74 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Young Parkyn McNab LLP

Lethbridge, Alberta

November 7, 2006

Chartered Accountants

LETHBRIDGE • FORT MACLEOD • CLARESHOLM • TABER • MILK RIVER • *PINCHER CREEK
* Denotes Part-Time Office

School Jurisdiction Code: 56

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$4,006,897	$2,123,543
Accounts receivable (net after allowances)		$1,455,525	$1,401,836
Prepaid expenses		$223,261	$58,186
Other current assets		$0	$0
Total current assets		$5,685,683	$3,583,565
School generated assets		$462,792	$564,062
Trust assets		$266,228	$537,966
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$656,541	$656,541
Buildings	$41,074,758		
Less: accumulated amortization	($19,187,763)	$21,886,995	$21,214,613
Equipment	$901,926		
Less: accumulated amortization	($587,788)	$314,138	$338,951
Vehicles	$2,378,907		
Less: accumulated amortization	($1,290,790)	$1,088,117	$909,106
Total capital assets		$23,945,791	$23,119,211
TOTAL ASSETS		$30,360,494	$27,804,804
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,365,969	$763,633
Deferred revenue		$331,884	$234,456
Deferred capital allocations		$1,971,020	$635,857
Current portion of all long term debt		$731,104	$731,104
Total current liabilities		$4,399,977	$2,365,050
School generated liabilities		$462,792	$564,062
Trust liabilities		$266,228	$537,966
Employee future benefits liability		$103,780	$113,900
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$4,613,248	$5,344,353
Less: Current portion of supported debt		($731,104)	($731,104)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$16,375,705	$14,936,121
Total long term liabilities		$21,090,649	$20,765,298
TOTAL LIABILITIES		$25,490,626	$23,130,348
NET ASSETS			
Unrestricted net assets		$665,651	$515,096
Operating Reserves		$729,636	$821,280
Accumulated Operating Surplus (Deficit)		$1,395,287	$1,336,376
Investment in capital assets		$2,956,841	$2,838,739
Capital Reserves		$517,740	$499,341
Total Capital Funds		$3,474,581	$3,338,080
Total net assets		$4,869,868	$4,674,456
TOTAL LIABILITIES AND NET ASSETS		$30,360,494	$27,804,804

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 56

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$29,077,412	$30,433,934	$28,087,549
Federal Government and/or First Nations	$4,740,709	$3,826,551	$4,291,291
Other Alberta school authorities	$92,332	$0	$75,783
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$75,196	$0	$92,462
Instruction resource fees	$201,966	$158,160	$234,178
Transportation fees	$0	$0	$0
Other sales and services	$269,616	$0	$176,926
Investment income	$103,364	$125,000	$115,084
Gifts and donations	$30,921	$0	$5,562
Rentals of facilities	$4,570	$5,000	$900
Net school generated funds	$319,206	$700,000	$330,625
Gains on disposal of capital assets	$0	$0	$10,143
Amortization of capital allocations	$1,126,225	$700,000	$1,128,696
Total Revenues	$36,041,517	$35,948,645	$34,549,199
EXPENSES			
Certificated salaries	$17,612,295	$16,561,137	$17,360,351
Certificated benefits	$1,846,887	$1,950,178	$1,841,623
Uncertificated salaries and wages	$6,736,922	$6,279,306	$6,187,853
Uncertificated benefits	$1,745,331	$1,657,404	$1,541,253
Services, contracts and supplies	$5,588,118	$7,022,120	$5,873,734
Net school generated funds	$319,206	$700,000	$330,625
Capital and debt services			
Amortization of capital assets			
Supported	$1,126,225	$700,000	$1,128,696
Unsupported	$314,614	$326,000	$302,442
Total Amortization of capital assets	$1,440,839	$1,026,000	$1,431,138
Interest on capital debt			
Supported	$545,557	$750,000	$622,035
Unsupported	$0	$0	$0
Total Interest on capital debt	$545,557	$750,000	$622,035
Other interest charges	$7,863	$2,500	$4,560
Losses on disposal of capital assets	$3,087	$0	$0
Total Expenses	$35,846,105	$35,948,645	$35,193,172
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$195,412	$0	($643,973)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$195,412	$0	($643,973)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 56

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$195,412	($643,973)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,126,225)	($1,128,696)
Total amortization expense	$1,440,839	$1,431,138
Gains on disposal of capital assets	$0	($10,143)
Losses on disposal of capital assets	$3,087	$0
Changes in accrued accounts:		
Accounts receivable	($53,689)	$706,740
Prepaids and other current assets	($165,075)	$339,937
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	$602,336	($920,959)
Deferred revenue	$97,428	($5,355)
Employee future benefit expense (recovery)	($10,120)	$1,902
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$983,993	($229,409)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	($186,432)
Buildings	($1,834,705)	($95,186)
Equipment	($91,769)	($71,004)
Vehicles	($344,032)	($292,956)
Net proceeds from disposal of capital assets	$0	$44,111
Other (describe)	$0	$0
Total sources (uses) of cash from Investing activities	($2,270,506)	($601,467)
C. FINANCING ACTIVITIES		
Capital allocations	$3,169,868	$687,505
Issue of long term debt	$0	$0
Repayment of long term debt	($731,105)	($731,104)
Add back: supported portion	$731,104	$731,104
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$3,169,867	$687,505
Net sources (uses) of cash during year	$1,883,354	($143,371)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$2,123,543	$2,266,914
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$4,006,897	$2,123,543

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

School Jurisdiction 56

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$4,674,456	$2,838,739	$515,096	$1,320,621	$405,146	$117,246	$0	$339,551	$275,025	$38,519	$126,700	$4,025	$14,409	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$4,674,456	$2,838,739	$515,096	$1,320,621	$405,146	$117,246	$0	$339,551	$275,025	$38,519	$126,700	$4,025	$14,409	$0
Excess(def) of revenue over expenses	$195,412		$195,412											
Board funded capital transactions		$435,803	($47,944)	($387,859)	($91,770)	$0	$0	($31,694)	$0	$0	($126,700)	($137,695)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,440,839)	$1,440,839											
Amortization of capital allocations		$1,126,225	($1,126,225)											
Disposal of unsupported capital assets	$0	($3,087)	$3,087	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0	$0	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($126,826)	$126,826	$104,061		$0		$22,765		$0		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($187,788)	$187,788		$0		$25,801		$28,317		$133,670		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$4,869,868	$2,956,841	$665,651	$1,247,376	$417,437	$117,246	$0	$333,658	$297,790	$66,836	$0	$0	$14,409	$0

School Jurisdiction Code: 56

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)

for the Year Ended August 31, 2006

(in dollars)

		Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005		$635,857	$14,936,121
Prior period adjustment		$0	$0
Adjusted balance, August 31, 2005		$635,857	$14,936,121
Add:			
Restricted capital allocations from:	Alberta Education-School/Modular Project Capital *	$3,087,581	
	Infrastructure & Transportation-School/Modular Project Capital *	$0	
	Other Government of Alberta	$0	
	Federal Government and/or First Nations	$0	
	Other sources	$65,648	
Interest earned on provincial government capital allocations		$16,639	
Other capital grants and donations		$0	
Net Proceeds on disposal of supported capital assets		$0	
Insurance proceeds (and related interest)		$0	
Donated capital assets (amortizable, @ fair market value)			$0
Transferred in capital assets (amortizable, @ net book value)			$0
Current Year Debenture Principal Repayment			$731,104
Expended capital allocations - current year		($1,834,705)	$1,834,705
Less:			
Net book value of supported capital assets disposition, write-off, or transfer			$0
Capital allocations amortized to revenue			$1,126,225
Balance at August 31, 2006		$1,971,020	$16,375,705

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Status of Alberta 2000, Chapter S - 3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles with the significant accounting policies being as follows:

Revenue recognition
Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

Temporary investments
Temporary Investments are valued at cost. Accrued interest on these investments is recorded as it is earned.

Capital assets
Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight line basis over the assets' estimated useful lives using the following annual rates:

Equipment	5 years
Vehicles	10 years
Building	40 years
Building and additions	25 years

2. Summary of significant accounting policies (continued)

Capital assets (continued) -
Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

There is no amortization charged in the year of acquisition.

School generated funds
Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the School Division when the accountability and control of these funds rests with School Division officials or their appointees.

Pensions
Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Westwind School Division No. 74 does not make pension contributions for certificated staff.

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $462,083 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

Contributed services
Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty in determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Financial Instruments
These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

Measurement uncertainty
The financial statements by their nature contain estimates and are subject to measurement uncertainty. The amounts recorded for amortization of capital assets are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements of changes in such estimates in future periods could be significant.

3. Temporary investments

Temporary investments consist of a 4.0% redeemable term investment with TD Canada Trust in the amount of $1,137,099, which matures March 28, 2008, a 3.91% GIC with RBC Dominion Securities in the amount of $41,000, which matures December 06, 2007 and cash and mutual funds held with RBC Dominion Securities in the amount of $6,403.

4. Trust assets and liabilities

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	2006	2005
Scholarship Trusts	$ 266,228	$ 226,054
Student Health Initiative Trust (Banker Board)	-	311,912
	$ 266,228	$ 537,966

5. Deferred revenue

	2006	2005
Wind power	$ 295,942	$ -
Video conferencing	35,942	116,404
Infrastructure modernization program	-	104,029
Other	-	14,023
	$ 331,884	$ 234,456

6. Long-term debt

The Division has various debentures payable to Alberta Finance relating to the acquisition of capital assets bearing interest at rates ranging from 6.875% to 12.0%. Principal payments in each of the next five years are estimated as follows:

2007	$ 731,104
2008	731,104
2009	617,329
2010	573,901
2011	506,005
2012 to maturity	1,453,805
	$ 4,613,248

7. Commitments

Building projects
The jurisdiction is committed to further capital expenditures for the reconfiguration of the Raymond schools of $13,385,000. It is anticipated that these costs will be significantly funded by the capital allocations from Alberta Infrastructure and Transportation.

8. Contingencies

The jurisdiction is a member of a reciprocal insurance exchange call ALARIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

9. Related Party Transaction

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
2005-2006	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta:				
Education	$305,671	$35,942	$26,681,650	$0
Infrastructure & Transportation	$0	$295,941	$3,324,465	$0
Finance	$0	$0	$545,557	$0
Health & Wellness	$73,370	$0	$150,079	$0
Human Resources/Employment	$0	$0	$5,800	$0
Other Gov't of Alberta Departments	$0	$0	$79,030	$0
Other:				
Health Authorities	$0	$0	$0	$0
Post-Secondary Institutions	$0	$0	$0	$0
Other Alberta School Jurisdictions	$0	$0	$0	$0
Other Related Parties	$0	$0	$0	$0
TOTAL 2005-2006	$379,041	$331,883	$30,786,581	$0
TOTAL 2004-2005	$1,032,595	$234,456	$31,991,382	$0

10. Economic dependence on related third party

The Westwind School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

11. Budget amounts

The budget was prepared by the Schcol jurisdiction management with Board of Trustees approval given on June 15, 2005. It is presented for information purposes only, and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 56

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$28,416,760	$21,919,297	$3,283,713	$1,554,522	$1,659,228	$0
(2) **Alberta Infrastructure & Transportation**	$40,752	$0	$40,752			
(3) **Alberta Finance**	$545,557		$545,557			$0
(4) **Other - Government of Alberta**	$74,343	$0	$5,800	$0	$0	$68,543
(5) **Federal Government and/or First Nations**	$4,740,709	$4,740,709	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$92,332	$92,332	$0	$0	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$75,196	$75,196	$0	$0	$0	$0
(9) **Instruction resource fees**	$201,966	$201,966				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$269,616	$100,037	$39,421	$79,872	$50,286	$0
(12) **Investment income**	$103,364	$103,364	$0	$0	$0	$0
(13) **Gifts and donations**	$30,921	$30,921	$0	$0		$0
(14) **Rentals of facilities**	$4,570	$0	$4,570	$0	$0	$0
(15) **Net school generated funds**	$319,206	$319,206			$0	
(16) **Gains on disposal of capital assets**	$0	$0	$0	$0	$0	$0
(17) **Amortization of capital allocations**	$1,126,225	$0	$1,126,225	$0		$0
(18) **TOTAL REVENUES**	$36,041,517	$27,583,028	$5,046,038	$1,634,394	$1,709,514	$68,543
EXPENSES						
(19) **Certificated salaries**	$17,612,295	$17,229,032			$383,263	$0
(20) **Certificated benefits**	$1,846,887	$1,811,139			$35,748	$0
(21) **Uncertificated salaries and wages**	$6,736,922	$4,432,014	$1,350,471	$411,976	$502,641	$39,820
(22) **Uncertificated benefits**	$1,745,331	$1,261,424	$317,762	$51,532	$104,612	$10,001
(23) **SUB - TOTAL**	$27,941,435	$24,733,609	$1,668,233	$463,508	$1,026,264	$49,821
(24) **Services, contracts & supplies**	$5,588,118	$2,396,933	$1,717,416	$841,146	$574,019	$58,604
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$319,206	$319,206				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,126,225	$0	$1,126,225	$0	$0	$0
(28) Unsupported	$314,614	$99,548	$30,314	$133,670	$51,082	$0
(29) Total Amortization	$1,440,839	$99,548	$1,156,539	$133,670	$51,082	$0
Interest on capital debt						
(30) Supported	$545,557	$0	$545,557	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$7,863	$0	$0	$0	$7,863	$0
(33) Losses on disposal of capital assets	$3,087	$0	$0	$3,087	$0	$0
(34) **TOTAL EXPENSES**	$35,846,105	$27,549,296	$5,087,745	$1,441,411	$1,659,228	$108,425
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$195,412	$33,732	($41,707)	$192,983	$50,286	($39,882)

School Jurisdiction Code: 56

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$750,480
Base Instruction (Gr 1-12)	$16,493,321
Outreach Programs	$52,020
Home Education	$10,176
Differential Cost Funding *	$9,317,311
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$0
Provincial Priority Targeted Funding	
Class Size Initiative	$632,822
Student Health Initiative (SHI)	$150,079
Alberta Initiative for School Improvement (AISI)	$486,500
High Speed Networking	$90,630
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$341,959
Other Alberta Education Revenues (describe): Daily Physical Activity Provincial Priority / Video Conferencing Grant	$91,462
Total Alberta Education Revenues	$28,416,760

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 56

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$1,092,675	$674,168	$41,385		$0	$418,754	$2,226,982
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$0	$676,017	$4,934		$0		$680,951
ECS Program Unit (PUF)	$21,770	$429,033	$173,712		$0		$624,515
Severe Disabilities (Gr 1-12)	$0	$2,071,446	$15,877		$0		$2,087,323
English as a Second Language	$0	$191,755	$5,384		$0		$197,139
French Language Program & Francisation (all jurisdictions)	$0	$0	$307		$0		$307
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$140,480	$0		$0		$140,480
Home Education	$0	$0	$0		$0		$0
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$495,830	$66,666	$66,256	$0	$0		$628,752
Student Health Initiative	$0	$148,826	$1,254		$0		$150,080
High Speed Networking			$117,349		$0		$117,349
Class Size	$0	$0	$0	$0	$0		$0
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$10,697	$450		$0		$11,147
All Other Student Instruction Expenses (ECS - Gr 12)	$17,429,896	$1,284,351	$2,058,616	$0	$0	$0	$20,684,271
TOTAL EXPENSES	$19,040,171	$5,693,439	$2,485,524	$0	$0	$418,754	$27,549,296

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	0.0	39.0
ECS Program Unit (PUF)	0.0	6.5
Severe Disabilities (Gr 1-12)	0.0	85.7

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 56

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$35,846,105**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**5.43%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$1,946,981
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$1,946,981**
Less: 2005/2006 Board and System Administration expenses		-$1,659,228
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$287,753

School Jurisdiction Code: 56

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$564,062
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$671,877	$665,099	$6,778	
Student fees (Non-Instructional) (Note 2)	$294,812	$99,946	$194,866	
Donations and grants to schools	$16,292	$0	$16,292	
Other (describe)	$0	$0	$0	
Net Additions to SGF	$982,981	$765,045		$217,936
Net SGF Available for Spending				$781,998
Application of Net School Generated Funds:				
Extra-curricular activities			$246,453	
School site beautification			$0	
Field Trips			$57,790	
Equipment			$4,722	
Family literacy and other community resources			$133	
Other (describe) Scholarships / Awards			$10,108	
Net SGF Expended (Note 3)				$319,206
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$462,792

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 56

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,012,130	$252,051	$0	$16,587	$69,703	$1,350,471		$1,350,471
Uncertificated benefits	$244,616	$73,146	$0	$0	$0	$317,762		$317,762
Sub-total Remuneration	$1,256,746	$325,197	$0	$16,587	$69,703	$1,668,233		$1,668,233
Contracted Services	$0	$0	$40,752	$0	$0	$40,752		$40,752
Supplies	$94,836	$351,445	$0	$534,862	$0	$981,143		$981,143
Electricity			$357,130			$357,130		$357,130
Natural Gas/Heating Fuel			$284,711			$284,711		$284,711
Sewer and Water			$39,231			$39,231		$39,231
Telecommunications			$14,449			$14,449		$14,449
Insurance					$0	$0		$0
Amortization of capital assets								
Supported							$1,126,225	$1,126,225
Unsupported						$30,314		$30,314
Total Amortization						$30,314	$1,126,225	$1,156,539
Interest on capital debt								
Supported							$545,557	$545,557
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,351,582	$676,642	$736,273	$551,449	$69,703	$3,415,963	$1,671,782	$5,087,745
SQUARE METRES								
School Buildings								51,265.0
Non School Buildings								1,996.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocations: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 56

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Clark Hardy	1.0	$6,583	$176	$3,292			$10,051	$3,682
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Darcy Barfuss	1.0	$6,000	$2,229	$3,000			$11,229	$3,524
Name	Anna-Joyce Frank	1.0	$6,000	$285	$3,000			$9,285	$4,424
Name	Ron Fromm	1.0	$6,111	$294	$3,055			$9,460	$4,290
Name	Stephen Heggie	1.0	$6,000	$1,182	$3,000			$10,182	$3,398
Name	Lance Miller	1.0	$6,139	$1,797	$3,069			$11,005	$4,757
Name	Connie Nelson	1.0	$6,000	$285	$3,000			$9,285	$4,710
Name	Calvin Salmon	1.0	$6,000	$160	$3,000			$9,160	$980
Name	Peter Scott	1.0	$6,000	$901	$3,000			$9,901	$4,442
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*9.0*	*$54,833*	*$7,309*	*$27,416*			*$89,558*	*$34,207*
Superintendent	Douglas Bennett	0.2	$22,318	$1,879	$720	$0	$0	$24,917	$13,549
Superintendent	Leroy Walker	0.8	$96,473	$7,990	$2,700	$0	$41,140	$148,303	$12,083
Secretary/Treasurer	Dexter Durfey	1.0	$102,000	$18,708	$3,600	$0	$0	$124,308	$33,819
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		243.0	$17,446,064	$1,837,018	$2,880	$0	$0	$19,285,962	
Uncertificated Salaries & Wages		295.0	$6,549,072	$1,719,318	$0	$0	$0	$8,268,390	
TOTALS			**$24,270,760**	**$3,592,222**	**$37,316**	**$0**	**$41,140**	**$27,941,438**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 2115

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Wetaskiwin Regional Division No. 11

Legal Name of School Jurisdiction

5515 - 47A Avenue, Wetaskiwin, AB T9A 3S3

Mailing Address

Phone 780-352-6018 Fax 780-352-7886

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Wetaskiwin Regional Division No. 11
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN	
Mr. Robert Reimer	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT	
Dr. Terry Pearson	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER	
Ms. Arlene Dow, CGA	**"ORIGINAL SIGNED"**
Name	**Signature**

11-Dec-06

Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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MNP

MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To the Board of Trustees of

WETASKIWIN REGIONAL DIVISION NO. 11

We have audited the statement of financial position of the **Wetaskiwin Regional Division No. 11** as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

October 31, 2006
Leduc, Alberta

CHARTERED ACCOUNTANTS

200, 5019 - 49TH AVENUE, LEDUC, AB T9E 6T5 PH. (780) 986-2626, FAX (780) 986-2621

School Jurisdiction Code: 2115

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$4,478,510	$1,191,223
Accounts receivable (net after allowances)		$1,467,392	$3,694,060
Prepaid expenses		$275,896	$115,477
Other current assets		$200,806	$209,099
Total current assets		$6,442,605	$5,209,859
School generated assets		$792,804	$754,163
Trust assets		$199,087	$479,959
Long term accounts receivable		$4,439	$16,229
Long term investments		$0	$0
Capital assets			
Land		$242,290	$242,290
Buildings	$57,534,709		
Less: accumulated amortization	($23,477,918)	$34,056,792	$35,253,992
Equipment	$7,807,314		
Less: accumulated amortization	($7,227,296)	$580,019	$628,592
Vehicles	$429,406		
Less: accumulated amortization	($186,988)	$242,418	$273,855
Total capital assets		$35,121,518	$36,398,729
TOTAL ASSETS		$42,560,453	$42,858,939
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$2,246,292	$1,446,450
Deferred revenue		$607,440	$1,483,321
Deferred capital allocations		$0	$0
Current portion of all long term debt		$922,089	$922,089
Total current liabilities		$3,775,821	$3,851,860
School generated liabilities		$792,804	$754,163
Trust liabilities		$199,087	$479,959
Employee future benefits liability		$5,700	$0
Long term payables and accrued liabilities		$20,593	$19,900
Long term debt			
Supported: Debentures and other supported debt		$5,903,560	$6,817,949
Less: Current portion of supported debt		($914,389)	($914,389)
Unsupported: Debentures and Capital Loans		$50,500	$58,200
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		($7,700)	($7,700)
Other long term liabilities		$0	$0
Unamortized capital allocations		$26,227,082	$26,458,465
Total long term liabilities		$32,277,236	$33,666,547
TOTAL LIABILITIES		$36,053,057	$37,518,407
NET ASSETS			
Unrestricted net assets		($0)	$0
Operating Reserves		$3,037,759	$2,026,279
Accumulated Operating Surplus (Deficit)		$3,037,759	$2,026,279
Investment in capital assets		$2,940,374	$3,064,112
Capital Reserves		$529,263	$250,141
Total Capital Funds		$3,469,637	$3,314,253
Total net assets		$6,507,396	$5,340,532
TOTAL LIABILITIES AND NET ASSETS		$42,560,453	$42,858,939

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 2115

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$38,821,717	$37,260,471	$36,868,008
Federal Government and/or First Nations	$3,070,958	$2,367,816	$2,741,679
Other Alberta school authorities	$16,322	$10,000	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$503,127	$525,065	$512,066
Transportation fees	$8,310	$15,000	$9,925
Other sales and services	$568,550	$90,000	$241,769
Investment income	$140,013	$85,000	$76,606
Gifts and donations	$0	$0	$0
Rentals of facilities	$19,259	$9,300	$22,667
Net school generated funds	$789,706	$843,066	$887,162
Gains on disposal of capital assets	$300	$0	$0
Amortization of capital allocations	$1,327,814	$1,216,668	$1,208,523
Total Revenues	$45,266,076	$42,422,386	$42,568,405
EXPENSES			
Certificated salaries	$20,512,722	$19,347,552	$19,714,279
Certificated benefits	$2,366,332	$2,891,014	$2,386,498
Uncertificated salaries and wages	$7,661,885	$6,912,438	$7,617,194
Uncertificated benefits	$1,894,193	$2,006,837	$1,876,085
Services, contracts and supplies	$8,666,073	$8,395,811	$7,793,410
Net school generated funds	$789,706	$843,066	$887,162
Capital and debt services			
Amortization of capital assets			
Supported	$1,327,814	$1,216,668	$1,208,523
Unsupported	$226,507	$211,897	$240,092
Total Amortization of capital assets	$1,554,321	$1,428,565	$1,448,615
Interest on capital debt			
Supported	$642,249	$840,570	$740,726
Unsupported	$5,524	$7,200	$6,339
Total Interest on capital debt	$647,773	$847,770	$747,065
Other interest charges	$5,507	$0	$5,938
Losses on disposal of capital assets	$701	$0	$20,324
Total Expenses	$44,099,212	$42,673,053	$42,496,570
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,166,864	($250,667)	$71,835
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,166,864	($250,667)	$71,835

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 2115

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,166,864	$71,835
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,327,814)	($1,208,523)
Total amortization expense	$1,554,321	$1,448,615
Gains on disposal of capital assets	($300)	$0
Losses on disposal of capital assets	$701	$20,324
Changes in accrued accounts:		
Accounts receivable	$2,206,668	($700,903)
Prepaids and other current assets	($152,127)	$129,725
Long term accounts receivable	$11,790	($16,229)
Long term investments	$0	$0
Payables and accrued liabilities	$800,535	($1,800,918)
Deferred revenue	($875,881)	$346,499
Employee future benefit expense (recovery)	$5,700	$0
Other (describe)	$0	$1,244,046
Total sources (uses) of cash from Operations	$3,390,456	($465,529)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	$0	$0
Buildings	($177,874)	($2,948,141)
Equipment	($105,336)	($181,770)
Vehicles	$0	($125,854)
Net proceeds from disposal of capital assets	$5,700	$57,500
Other (describe)	$0	$14,578
Total sources (uses) of cash from Investing activities	($277,511)	($3,183,687)
C. FINANCING ACTIVITIES		
Capital allocations	$182,042	$546,470
Issue of long term debt	$0	$0
Repayment of long term debt	($922,089)	($932,199)
Add back: supported portion	$914,389	$924,497
Other (describe)	$0	($1,258,624)
Total sources (uses) of cash from Financing activities	$174,342	($719,856)
Net sources (uses) of cash during year	$3,287,287	($4,369,072)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$1,191,223	$5,560,295
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$4,478,510	$1,191,223

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 2115

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$5,340,532	$3,064,112	$0	$2,276,420	$1,709,524	$103,377	$105,136	$0	$200,062	$106,833	$11,557	$39,931	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$5,340,532	$3,064,112	$0	$2,276,420	$1,709,524	$103,377	$105,136	$0	$200,062	$106,833	$11,557	$39,931	$0	$0
Excess(def) of revenue over expenses	$1,166,864		$1,166,864											
Board funded capital transactions		$101,169	($101,169)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($1,554,321)	$1,554,321											
Amortization of capital allocations		$1,327,814	($1,327,814)											
Disposal of unsupported capital assets	$0	$0	$0	$0		$0		$0		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	($6,100)	$6,100	$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$7,700	($7,700)											
Net transfers to operating reserves			($1,011,480)	$1,011,480	$400,094		$508,404		$75,940		$27,042		$0	
Net transfers from operating reserves			$0	$0	$0		$0		$0		$0		$0	
Net transfers to capital reserves			($279,122)	$279,122		$137,000		$47,374		$94,748		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$6,507,396	$2,940,374	($0)	$3,567,022	$2,109,618	$240,377	$613,540	$47,374	$276,002	$201,581	$38,599	$39,931	$0	$0

School Jurisdiction Code: 2115

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$0	$26,458,465
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$0	$26,458,465
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$182,042	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$0	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$914,389
Expended capital allocations - current year	($182,042)	$182,042
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$0
Capital allocations amortized to revenue		$1,327,814
Balance at August 31, 2006	$0	$26,227,082

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and purpose

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3. It is not taxable under Section 149(1) of the *Income Tax Act*

The School Jurisdiction receives instruction and support allocations under Regulation 77/2003. The Regulation allows for setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

The Wetaskiwin Regional Division #11 (the "Regional Division") follows the deferral method of accounting for contributions.

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

The Regional Division amortizes grants received for construction and acquisition of capital asset as revenue on the same basis that the cost of the assets is amortized as expense. Since the receipt of the grants does not coincide with the amortization of the cost, the unamortized portion of the grants is recorded as a liability on the statement of financial position. These capital allocations are recorded as referred capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

2. Significant accounting policies *(continued)*

Cash

Cash and cash equivalents include cash on hand balances with bank and short term deposits with original maturities of one year or less.

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school instructional materials, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Inventories

Inventories are recorded at the lessor of cost or net realizable value.

School generated funds

These are funds which come under the control and responsibility of the school principal for school activities. These are usually collected, retained and expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of the contribution. Amortization is provided on a straight line basis over the assets' estimated useful lives at the following rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Only capital assets with costs in excess of $5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Long-lived assets

Long-lives assets consist of capital assets. Long-lived asset held for use are measured and amortized as described in the applicable accounting policies.

The Regional Division performs impairment testing on long-lived asset held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less that the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in expenses for the period year.

2. Significant accounting policies *(continued)*

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wetaskiwin Regional Division No. 11 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan and does no report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $527,315 for the year ended August 31, 2006. At December 31, 2005 the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000). See Note 11 for additional information.

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Financial instruments

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, school generated assets and liabilities, trust assets and liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from the financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

3. Accounts receivable

	2006	2005
Province of Alberta	$ 486,832	$ 2,880,562
Federal Government	627,812	593,350
Other	140,312	208,770
Other Alberta School Jurisdictions	232,436	11,378
	$ 1,487,392	$ 3,694.060

4. Bank indebtedness

The Regional Division has a $4,000,000 operating line of credit bearing interest at prime less 0.5%. At August 31, 2006, none of this line of credit was used. As security the Regional Division has provided a borrowing by-law.

5. Accounts payable and accrued liabilities

	2006	2005
Trade and other	$ 1,293,336	$ 954,357
Province of Alberta	407,524	471,744
Federal Government	545,432	20,349
	$ 2,246,292	$ 1,446,450

6. Deferred revenue

	2006	2005
Province of Alberta	$ 598,413	$ 1,479,026
Other	9,027	4,295
	$ 607,440	$ 1,483,321

7. Deferred capital allocations

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. Any unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account. As at August 31, 2006 all capital funds received from external parties had been expended and therefore transferred from to deferred capital contributions to the unamortized capital contributions account.

8. Trust assets and liabilities

	2006	2005
Scholarship trusts	$ 133,163	$ 125,104
Deferred Salary Leave Plan	60,545	28,769
Skills Link project	5,379	25,235
Student Health Initiative Trust	-	300,851
	$ 199,087	$ 479,959

9. Long-term debt

	2006	2005
Debentures: 7.625% to 15.75% Alberta Capital Finance Authority Debentures maturing at various dates from 2007 to 2019. Debenture debt is authorized by Alberta Treasury and $5,903,560 is fully supported. Interest paid on long-term debt during 2005 – 2006 was $705,817.	$ 5,954,060	$ 6,876,149
Less: current portion	922,089	922,089
	$ 5,031,971	$ 5,954,060

Debenture and capital loan repayments required in each of the next five years and beyond are due as follows:

	Principal	Interest	Total
2006 - 2007	$ 922,089	$ 613,463	$ 1,535,552
2007 - 2008	840,805	514,933	1,355,738
2008 - 2009	772,737	425,579	1,198,316
2009 - 2010	737,376	343,839	1,081,215
2010 – 2011	609,776	266,343	876,119
2011 to maturity	2,071,277	670,666	2,741,943
Total	$ 5,954,060	$ 2,834,823	$ 8,788,883

The current portion of long-term debt includes $914,389 of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

10. Unamortized capital allocations

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

11. SIPP

The Regional Division is a member of the Supplemental Integrated Pension Plan. The plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund.

There are ten employees who are eligible to participate in the plan, two employees are currently participating.

The current service contributions in 2006 were $2,800 (2005 - $2,900) and past service costs were $nil (2005 - $4,730). The accrued benefit liability at August 31, 2006 is $5,700 (2005 - $2,900).

12. Commitments

Operating leases

The Regional Division has entered into a number of operating leases, which have financial commitments as outlined below. These leases relate to photocopiers, financial systems hardware, facilities rental and grounds maintenance.

2006-2007	$ 420,656
2007-2008	358,678
2008-2009	308,016
2009-2010	24,782
2010-beyond	-
Total	$ 1,112,132

13. Contingency

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

14. Economic dependence on related third party

The School Jurisdiction received 82.8% and 1.2% (2005 – 75.2% and 9.3%) of its revenues pursuant to funding arrangements with Alberta Education and Alberta Infrastructure respectively. The Division's ability to continue viable operations is dependent on this funding.

15. Budget amounts

The School Jurisdiction management prepared the budget with Board of Trustees approval given on June 13, 2005. It is presented for information purposes only and has not been audited.

16. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in Public Sector Accounting Board Handbook Section 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions
2005-2006	**Assets**	**Liabilities**	**Revenue**
Government of Alberta:			
Education	$ 26,211	$532,758	$37,467,590
Finance	403,148	407,524	642,249
Infrastructure & Transportation	-	-	536,626
Other departments	57,473	-	175,252
Other:			
Alberta school Jurisdictions	232,436	395	16,266
Total 2005-2006	**$719,268**	**$940,677**	**$38,837,983**
Total 2004-2005	$2,891,940	$1,596,026	$36,724,529

SCHEDULE A to the AFS

School Jurisdiction Cod 2115

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$37,467,590	$28,925,378	$4,303,694	$2,766,815	$1,463,704	$6,000
(2) **Alberta Infrastructure & Transportation**	$536,626	$0	$536,626			
(3) **Alberta Finance**	$642,249		$642,249			$0
(4) **Other - Government of Alberta**	$175,252	$170,678	$4,574	$0	$0	$0
(5) **Federal Government and/or First Nations**	$3,070,958	$2,420,369	$336,929	$0	$135,868	$177,793
(6) **Other Alberta school authorities**	$16,322	$56	$0	$16,266	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$503,127	$503,127				
(10) **Transportation fees**	$8,310			$8,310		
(11) **Other sales and services**	$568,550	$318,782	$144,130	$421	$105,217	$0
(12) **Investment income**	$140,013	$70,006	$0	$0	$70,007	$0
(13) **Gifts and donations**	$0	$0	$0	$0		$0
(14) **Rentals of facilities**	$19,259	$900	$18,359	$0	$0	$0
(15) **Net school generated funds**	$789,706	$789,706			$0	
(16) **Gains on disposal of capital assets**	$300	$0	$0	$0	$300	$0
(17) **Amortization of capital allocations**	$1,327,814	$7,350	$1,320,464	$0		$0
(18) **TOTAL REVENUES**	$45,266,076	$33,206,351	$7,307,025	$2,793,812	$1,775,095	$183,793
EXPENSES						
(19) **Certificated salaries**	$20,512,722	$20,137,952			$374,770	$0
(20) **Certificated benefits**	$2,366,332	$2,318,101			$48,231	$0
(21) **Uncertificated salaries and wages**	$7,661,885	$4,851,305	$1,864,906	$151,568	$661,313	$132,793
(22) **Uncertificated benefits**	$1,894,193	$1,245,751	$430,268	$29,863	$179,355	$8,956
(23) **SUB - TOTAL**	$32,435,132	$28,553,109	$2,295,174	$181,431	$1,263,669	$141,749
(24) **Services, contracts & supplies**	$8,666,073	$3,163,708	$2,500,808	$2,581,560	$383,954	$36,044
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$789,706	$789,706				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,327,814	$7,350	$1,320,464	$0	$0	$0
(28) Unsupported	$226,507	$137,000	$33,701	$3,780	$52,026	$0
(29) Total Amortization	$1,554,321	$144,350	$1,354,165	$3,780	$52,026	$0
Interest on capital debt						
(30) Supported	$642,249	$0	$642,249	$0	$0	$0
(31) Unsupported	$5,524	$0	$5,524	$0	$0	$0
(32) Other interest charges	$5,507	$0	$0	$0	$5,507	$0
(33) Losses on disposal of capital assets	$701	$0	$701	$0	$0	$0
(34) **TOTAL EXPENSES**	$44,099,212	$32,650,873	$6,798,620	$2,766,770	$1,705,156	$177,793
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,166,864	$555,478	$508,404	$27,042	$69,940	$6,000

School Jurisdiction Code: 2115

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,399,347
Base Instruction (Gr 1-12)	$18,927,221
Outreach Programs	$104,040
Home Education	$11,016
Differential Cost Funding *	$14,846,834
Other Provincial Support	
Institutional Programs	$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$36,175
Provincial Priority Targeted Funding	
Class Size Initiative	$660,777
Student Health Initiative (SHI)	$452,740
Alberta Initiative for School Improvement (AISI)	$579,670
High Speed Networking	$0
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$228,279
Other Alberta Education Revenues (describe): Supernet $155,492, Videoconferencing $60,000, SHIP Banker fee $6,000	$221,492
Total Alberta Education Revenues	$37,467,590

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 2115

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$2,008,502	$1,938,638	$1,679,909		($123,007)	$144,350	$5,648,393
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$1,928,759	$338,967	$21,559		$0		$2,289,285
ECS Program Unit (PUF)	$187,138	$449,209	$107,525		$34,462		$778,334
Severe Disabilities (Gr 1-12)	$2,959,973	$2,317,129	$40,377		$0		$5,317,480
English as a Second Language	$23,312	$44,659	$5,211		$0		$73,183
French Language Program & Francisation (all jurisdictions)	$395,142	$0	$1,404		$0		$396,546
First Nations, Metis and Inuit Education (ECS - Gr 12)	$121,232	$107,043	$17,404		$0		$245,679
Home Education	$31,083	$13,226	$16,628		$0		$60,937
Institutional Programs	$0	$0	$0		$0		$0
Alberta Initiative for School Improvement	$394,459	$27,460	$148,075	$25,335	($15,659)		$579,670
Student Health Initiative		$312,858	$16,875		$123,007		$452,740
High Speed Networking			$0		$0		$0
Class Size	$641,809	$0	$0	$0	($24,676)		$617,133
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$13,764,644	$547,866	$1,092,501	$181,323	$5,873	$786,706	$16,191,494
TOTAL EXPENSES	$22,456,053	$6,097,056	$3,147,468	$206,658	$0	$931,056	$32,650,873

FULL-TIME-EQUIVALENCIES(Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	20.4	9.2
ECS Program Unit (PUF)	3.5	3.7
Severe Disabilities (Gr 1-12)	37.6	69.1

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 2115

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$44,099,212**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.91%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,166,815
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	4,173	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,166,815**
Less: 2005/2006 Board and System Administration expenses		-$1,705,156
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$461,659

School Jurisdiction Code: 2115

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$754,163
Source of Net School Generated Funds:				
Fundraising activities	$596,861	$461,719	$135,142	
Student fees (Non-Instructional) (Note 2)	$506,997	$55,079	$451,917	
Donations and grants to schools	$126,436	$6,658	$119,778	
Other (describe):	$152,863	$31,353	$121,510	
Net Additions to SGF	$1,383,156	$554,809		$828,347
Net SGF Available for Spending				$1,582,510
Application of Net School Generated Funds:				
Extra-curricular activities			$323,486	
School site beautification			$656	
Field Trips			$241,259	
Equipment			$46,576	
Family literacy and other community resources			$0	
Other (describe):			$177,729	
Net SGF Expended (Note 3)				$789,706
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$792,804

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 2115

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,222,839	$418,737	$0	$4,617	$218,713	$1,864,906		$1,864,906
Uncertificated benefits	$278,751	$100,038	$0	$0	$51,479	$430,268		$430,268
Sub-total Remuneration	$1,501,589	$518,776	$0	$4,617	$270,192	$2,295,174		$2,295,174
Contracted Services	$0	$100,211	$27,867	$879,887	$3,436	$1,011,402		$1,011,402
Supplies	$96,729	$180,363	$0	$16,371	$26,690	$320,153		$320,153
Electricity			$436,200			$436,200		$436,200
Natural Gas/Heating Fuel			$554,589			$554,589		$554,589
Sewer and Water			$59,664			$59,664		$59,664
Telecommunications			$0			$0		$0
Insurance					$118,799	$118,799		$118,799
Amortization of capital assets								
Supported							$1,320,464	$1,320,464
Unsupported						$33,701		$33,701
Total Amortization						$33,701	$1,320,464	$1,354,165
Interest on capital debt								
Supported							$642,249	$642,249
Unsupported				$0		$5,524		$5,524
Other interest charges						$0		$0
Losses on disposal of capital assets						$701		$701
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,598,318	$799,350	$1,078,321	$900,875	$419,118	$4,835,907	$1,962,713	$6,798,620
SQUARE METRES								
School Buildings								65,700.2
Non School Buildings								2,129.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 2115

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-200
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mr. Robert Reimer	1.0	$18,560	$4,359	$0			$22,919	$6,890
Name		0.0	$0	$0	$0			$0	$0
Other Board Members:									
Name	Ms. Barbara Johnson	1.0	$13,025	$4,391	$0			$17,417	$2,764
Name	Mr. Glenn Norby	1.0	$12,242	$2,808	$0			$15,050	$3,201
Name	Mr. Greg Butt	1.0	$14,903	$4,229	$0			$19,132	$6,172
Name	Mrs. Cathy Ollenberger	1.0	$12,106	$3,547	$0			$15,653	$7,439
Name	Mr. Edward Zacharko	1.0	$15,914	$4,553	$0			$20,467	$7,186
Name	Mrs. Donna Hogg	1.0	$14,934	$3,751	$0			$18,685	$6,429
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*7.0*	*$101,684*	*$27,638*	*$0*			*$129,322*	*$40,082*
Superintendent	Dr. Terry Pearson	1.0	$121,019	$17,127	$0	$0	$0	$138,146	$14,015
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Ms. Arlene Dow	1.0	$102,257	$31,675	$0	$0	$0	$133,932	$7,723
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		290.3	$20,391,703	$2,349,204	$0	$0	$0	$22,740,907	
Uncertificated Salaries & Wages		244.0	$7,457,944	$1,834,880	$0	$0	$0	$9,292,824	
TOTALS			**$28,174,607**	**$4,260,524**	**$0**	**$0**	**$0**	**$32,435,132**	

Note: Please refer to completion information on page 15

School Jurisdiction Code: 1325

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Wild Rose School Division No. 66
Legal Name of School Jurisdiction

4912 - 43 Street, Rocky Mountain House, Alberta
Mailing Address

Telephone: (403) 845-3376, Fax: (403) 845-4287
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Wild Rose School Division No. 66
(Name of School Jurisdiction)
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Gerald Kujala	**"ORIGINAL SIGNED"**
Name	**Signature**

SUPERINTENDENT

J. Greg Thomas	**"ORIGINAL SIGNED"**
Name	**Signature**

SECRETARY TREASURER OR TREASURER

Cody G. McClintock	**"ORIGINAL SIGNED"**
Name	**Signature**

20-Dec-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

School Jurisdiction Code: 1325

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AUDITORS' REPORT

To The Board of Trustees

Wild Rose School Division No. 66

We have audited the statement of financial position of the Wild Rose School Division No. 66 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Gitzel Krejci Dand Peterson
CHARTERED ACCOUNTANTS

Stettler, Alberta
November 23, 2006

School Jurisdiction Code: 1325

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$5,439,677	$4,916,817
Accounts receivable (net after allowances)		$3,621,957	$3,834,628
Prepaid expenses		$334,240	$271,328
Other current assets		$123,138	$131,978
Total current assets		$9,519,012	$9,154,751
School generated assets		$931,968	$783,605
Trust assets		$283,507	$243,925
Long term accounts receivable		$115,144	$139,961
Long term investments		$0	$0
Capital assets			
Land		$2,216,956	$2,264,305
Buildings	$71,459,338		
Less: accumulated amortization	($24,204,372)	$47,254,966	$48,265,643
Equipment	$9,174,951		
Less: accumulated amortization	($6,088,791)	$3,086,160	$2,825,775
Vehicles	$5,194,025		
Less: accumulated amortization	($2,854,307)	$2,339,718	$2,220,723
Total capital assets		$54,897,800	$55,576,446
TOTAL ASSETS		$65,747,431	$65,898,688
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$1,954,465	$2,670,574
Deferred revenue		$640,633	$609,170
Deferred capital allocations		$0	$43,368
Current portion of all long term debt		$660,733	$686,397
Total current liabilities		$3,255,831	$4,009,509
School generated liabilities		$931,968	$783,605
Trust liabilities		$283,507	$243,925
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$4,835,806	$5,522,203
Less: Current portion of supported debt		($660,733)	($686,397)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$40,522,249	$40,799,453
Total long term liabilities		$45,912,797	$46,662,789
TOTAL LIABILITIES		$49,168,628	$50,672,298
NET ASSETS			
Unrestricted net assets		$2,118,557	$2,998,247
Operating Reserves		$2,458,687	$1,621,032
Accumulated Operating Surplus (Deficit)		$4,577,244	$4,619,279
Investment in capital assets		$9,539,745	$9,254,792
Capital Reserves		$2,461,813	$1,352,319
Total Capital Funds		$12,001,558	$10,607,111
Total net assets		$16,578,802	$15,226,390
TOTAL LIABILITIES AND NET ASSETS		$65,747,430	$65,898,688

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 1325

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$44,507,009	$44,313,543	$43,508,462
Federal Government and/or First Nations	$141,311	$92,254	$98,690
Other Alberta school authorities	$77,399	$0	$0
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$0	$0	$0
Instruction resource fees	$137,638	$172,804	$133,374
Transportation fees	$0	$0	$0
Other sales and services	$447,308	$39,000	$253,353
Investment income	$283,489	$148,000	$171,133
Gifts and donations	$67,817	$7,000	$51,274
Rentals of facilities	$18,736	$3,000	$24,789
Net school generated funds	$714,215	$1,348,937	$1,299,038
Gains on disposal of capital assets	$1,168,826	$0	$30,497
Amortization of capital allocations	$1,588,948	$1,703,871	$1,681,032
Total Revenues	$49,152,696	$47,828,409	$47,251,642
EXPENSES			
Certificated salaries	$21,712,477	$21,430,319	$20,826,835
Certificated benefits	$2,275,797	$2,357,335	$2,217,201
Uncertificated salaries and wages	$9,007,693	$8,737,531	$8,522,020
Uncertificated benefits	$1,809,286	$1,747,506	$1,729,886
Services, contracts and supplies	$8,998,153	$8,850,471	$8,283,557
Net school generated funds	$714,215	$1,348,939	$1,299,038
Capital and debt services			
Amortization of capital assets			
Supported	$1,588,948	$1,703,871	$1,681,032
Unsupported	$1,178,485	$1,140,611	$1,153,434
Total Amortization of capital assets	$2,767,433	$2,844,482	$2,834,466
Interest on capital debt			
Supported	$507,866	$552,710	$578,773
Unsupported	$0	$0	$0
Total interest on capital debt	$507,866	$552,710	$578,773
Other interest charges	$7,364	$1,000	$1,454
Losses on disposal of capital assets	$0	$0	$0
Total Expenses	$47,800,284	$47,870,293	$46,293,230
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$1,352,412	($41,884)	$958,412
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$1,352,412	($41,884)	$958,412

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 1325

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$1,352,412	$958,411
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,588,948)	($1,681,032)
Total amortization expense	$2,767,433	$2,834,466
Gains on disposal of capital assets	($1,168,826)	($30,497)
Losses on disposal of capital assets	$0	$0
Changes in accrued accounts:		
Accounts receivable	$212,671	($2,085,052)
Prepaids and other current assets	($54,072)	$37,157
Long term accounts receivable	$24,817	$23,074
Long term investments	$0	$0
Payables and accrued liabilities	($716,109)	($1,548,768)
Deferred revenue	$31,463	($107,063)
Employee future benefit expense (recovery)	$0	$0
Other (describe)	$0	$0
Total sources (uses) of cash from Operations	$860,841	($1,599,304)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	($150,000)	$0
Buildings	($1,046,864)	($3,227,784)
Equipment	($947,949)	($1,353,102)
Vehicles	($548,967)	($386,219)
Net proceeds from disposal of capital assets	$1,235,648	$59,949
Other (describe) Sale of land and building to RDCSD	$256,035	$0
Total sources (uses) of cash from Investing activities	($1,202,097)	($4,907,156)
C. FINANCING ACTIVITIES		
Capital allocations	$864,116	$2,198,126
Issue of long term debt	$0	$0
Repayment of long term debt	($686,397)	($692,904)
Add back: supported portion	$686,397	$692,905
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$864,116	$2,198,127
Net sources (uses) of cash during year	$522,860	($4,308,333)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$4,916,817	$9,225,150
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$5,439,677	$4,916,817

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.
2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 1325

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$15,226,390	$9,254,792	$2,998,247	$2,973,351	($244,492)	$441,167	$437,587	$257,389	$242,745	$0	$1,185,192	$653,763	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$15,226,390	$9,254,792	$2,998,247	$2,973,351	($244,492)	$441,167	$437,587	$257,389	$242,745	$0	$1,185,192	$653,763	$0	$0
Excess(def) of revenue over expenses	$1,352,412		$1,352,412											
Board funded capital transactions		$1,786,294	($914,471)	($871,823)	$0	$0	$0	($373,885)	$0	$0	$0	($497,938)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,767,433)	$2,767,433											
Amortization of capital allocations		$1,588,948	($1,588,948)											
Disposal of unsupported capital assets	$0	($322,856)	($1,168,826)	$1,491,682		$0		$1,491,682		$0		$0		$0
Disposal of supported capital assets (board funded portion)	$0	$0		$0		$0		$0		$0		$0		$0
Debt principal payments (unsupported)		$0												
Net transfers to operating reserves			($920,120)	$920,120	$757,612		$108,587		$53,921		$0		$0	
Net transfers from operating reserves			$82,465	($82,465)	$0		$0		$0		($82,465)		$0	
Net transfers to capital reserves			($510,000)	$510,000		$0		$47,500		$0		$462,500		$0
Net transfers from capital reserves			$20,365	($20,365)		($20,365)		$0		$0		$0		$0
Balance at August 31, 2006	$16,578,802	$9,539,745	$2,118,557	$4,920,500	$513,120	$420,802	$546,174	$1,422,686	$296,666	$0	$1,102,727	$618,325	$0	$0

School Jurisdiction Code: 1325

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$43,368	$40,799,453
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$43,368	$40,799,453
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$857,046	
Infrastructure & Transportation-School/Modular Project Capital *	$0	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$7,070	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$686,397
Expended capital allocations - current year	($907,484)	$907,484
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$282,137
Capital allocations amortized to revenue		$1,588,948
Balance at August 31, 2006	$0	$40,522,249

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

WILD ROSE SCHOOL DIVISION No. 66
NOTES TO FINANCIAL STATEMENT
AUGUST 31, 2006

1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Education instruction and support block areas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Only capital assets with costs in excess of $ 5000; or 10 and more items with an aggregate cost in excess of $ 10,000; or restricted by expenditure are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

The capital asset pools of furniture, equipment and buildings are deemed fully disposed 10 years after full amortization of the costs or incremental costs. Disposal amounts are prorated over the 10 years following full amortization. For buildings, this is an adjustment for the long-term nature of the asset, and capitalization of improvements extending the useful life, without any identifiable disposal of those components previously capitalized. For furniture and equipment, this adjustment recognizes that disposal of assets will take place over time, but not be specifically identifiable.

Inventories

Inventories are recorded at the lower of cost and net realizable value.

School Generated Funds

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control of these funds rests with school jurisdiction officials or their appointee(s). These funds are usually collected and retained at the school for expenditures paid the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

Vacation Pay

Vacation pay is recorded when earned.

Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

Contributed Services

Volunteers assist schools operated by the School Division in carrying out certain activities. Due to the difficulty of determining the fair value of these services and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Pension

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wild Rose School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of $510,550 for the Year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $ 863,558,000 (2004 deficiency of $1,288,924,000).

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the jurisdiction at this time.

3. ACCOUNTS RECEIVABLE

Accounts Receivable comprises of the following amounts:

	2006	2005
Due from the Provincial Government	$3,097,329	$ 3,418,603
Due from the Federal Government	248,691	227,704
Due from the FMSS Society (Current)	22,184	22,184
Notes Receivable: Computer Purchase Plan (Current)	37,657	43,855
Accrued Interest and Refunds	32	32
Accounts Receivables: General	216,064	122,250
	3,621,957	$ 3,834,628

4. OTHER CURRENT ASSETS

	2006	2005
Inventories	$ 122,613	$ 131,453
Utility Deposits	525	525
	$ 123,138	$ 131,978

5. LONG TERM ACCOUNTS RECEIVABLE

	2006	2005
Due from the FMSS Society	106,987	129,171
Notes Receivable: Computer Purchase Plan	8,158	10,790
	$ 115,145	$ 139,961

The amount due from the Frank Maddock Student Services Society; relating to an agreement between the School Division and the Society, for the Society to reimburse certain construction expenditures incurred on the construction of a facility at the Frank Maddock High School. The School Division retains title to the facility. The amount owing is unsecured and non-interest bearing repayment is to be made on a monthly basis. Payments over the next 5 years are as follow:

2007	22,184
2008	22,184
2009	22,184
2010	22,184
2011	18,251
	$ 106,987

6. BANK INDEBTEDNESS

The School Division has entered into a revolving line of credit agreement with Alberta Treasury Branches and is authorized to borrow up to $ 700,000 at the bank's prime rate of interest less ¼ percent.

The School Division has entered into an agreement with US Bank for VISA credit services for purchasing cards. The agreement allows an average monthly utilization of $ 66,000. The School Division has not utilized this service.

At year-end no amounts were outstanding.

7. DEFERRED REVENUE

Deferred revenue consists of the following unexpended grants, as qualifying expenditures are incurred these grants will be recognized as revenue:

	2006	2005
International Student Services – Advance Fees	$ 110,710	$ 16,920
Bell – Lease Payment	1,100	1,000
Course tuition for a Teacher	246	0
Block Modernization Funding	501,644	499,229
Alberta Initiative for School Improvement	26,933	92,021
	$ 640,633	$ 609,170

Block Modernization Grants and accrued interest on these restricted capital funds were in excess of expenditures made. Expenditure of these funds is outlined in the School Division's Facility Master Plan.

Alberta Initiative for School Improvement Grants received, were in excess of expenditures made. Expenditure of these funds is outlined on a project basis, approved by the Board of Trustees and the Province of Alberta.

8. DEFERRED CAPITAL ALLOCATIONS

The School Division was advanced funding by the Province of Alberta for the modernization or replacement of school facilities. These funds are to address issues arising from School Facility Audit performed by the Ministry of Infrastructure. The grant funding and related accumulated interest earned on advances are transferred to Unamortized Capital Allocations as expenses are incurred. The unexpended funding (or funding due) and related accumulated interest, allocated by the Province of Alberta is as follows:

	2006	2005
H.W. Pickup Jr. High School	-	43,368
	$ 0	$ 43,368

9. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for following areas:

	2006	2005
Deferred salary plan	$ 255,585	$ 234,547
Scholarship funds	25,048	6,048
Other trust amounts	2,874	3,330
	$ 283,507	$ 243,925

10. LONG TERM DEBT

The debenture debt bears interest at rates varying between 8 % and 12 %, and mature at various times between 2006 and 2020. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

	2006	2005
Long Term Debt	$ 4,835,806	$ 5,522,203
Less: Current Portion	660,733	686,397
	$ 4,175,073	$ 4,835,806

Debenture payments due over the next five years and beyond are as follows:

	Principle	Interest	Total
2006-2007	$ 660,733	$ 480,111	$ 1,140,844
2007-2008	639,116	410,592	1,049,708
2008-2009	569,921	343,666	913,587
2009-2010	502,463	285,045	787,508
2010-2011	475,103	234,391	709,494
2011 to maturity	1,988,470	795,388	2,783,858
Total	$ 4,835,806	$ 2,549,193	$ 7,384,999

11. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets is comprised of the following:

	2006	2005
Net Capital Assets	$ 54,897,800	$ 55,576,446
Capital debt	(4,835,806)	(5,522,203)
Unamortized capital allocations	(40,522,249)	(40,799,453)
Investment in capital assets end of year	$ 9,539,745	$ 9,254,790

12. CONTINGENCIES

Contingent Assets

The School Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of the equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

13. COMMITMENTS

Student Transportation Contracts

The jurisdiction is committed to 32 student transportation contracts for the operation of school buses. These are term contracts with a 90 day notice of early termination clause. The maturity dates for these contracts are grouped as follows:

Contracts with End Date: August 31 of:	Number of Contracts
2007	8
2008	1
2010	7
2011	16
Total	32

14. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Wild Rose School Division No. 66 had related party transactions for the year ended August 31, 2006 with the Red Deer College and the Red Deer Catholic Regional Division No. 39. These transactions are recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005 -2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenue	Expenses
Government of Alberta:				
Education	$ 67,920	$ 56,636	$ 43,968,570	
Infrastructure & Transportation	1,681,505			
Finance	303,065	303,065	507,866	$ 507,866
Health & Wellness		31,152		411,170
Human Resources/Employment	4,114		3,136	
Other Gov't of Alberta Departments			27,437	138,063
Other:				
Post-secondary institutions	1,067,269	402		42,505
Other Alberta school jurisdictions	159,717	10,475	77,399	142,297
TOTAL 2005-2006	$ 3,283,590	$ 401,730	$ 44,584,408	$ 1,104,039

15. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

During the year the School Division entered into transactions with related parties as follows:

The Wild Rose School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

The Alberta Teachers' Retirement Fund pension plan payments are paid by the provincial government directly to the plan on behalf of the division. The amount of these payments has not been disclosed to the division.

16. BUDGET AMOUNTS

The budget was prepared by the School Division management with Board of Trustee approval. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 1325

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) **Alberta Education**	$43,968,570	$33,320,817	$4,621,397	$4,220,567	$1,740,704	$65,085
(2) **Alberta Infrastructure & Transportation**	$0	$0	$0			
(3) **Alberta Finance**	$507,866		$507,866			$0
(4) **Other - Government of Alberta**	$30,573	$2,071	$28,502	$0	$0	$0
(5) **Federal Government and/or First Nations**	$141,311	$141,311	$0	$0	$0	$0
(6) **Other Alberta school authorities**	$77,399	$69,475	$0	$7,924	$0	$0
(7) **Out of province authorities**	$0	$0	$0	$0	$0	$0
(8) **Alberta municipalities** (excl. supplementary requisitions)	$0	$0	$0	$0	$0	$0
(9) **Instruction resource fees**	$137,638	$137,638				
(10) **Transportation fees**	$0			$0		
(11) **Other sales and services**	$447,308	$202,792	$78,323	$18,885	$110,813	$36,495
(12) **Investment income**	$283,489	$110,532	$62,147	$14,144	$96,666	$0
(13) **Gifts and donations**	$67,817	$67,817	$0	$0		$0
(14) **Rentals of facilities**	$18,736	$6,394	$4,200	$0	$3,950	$4,192
(15) **Net school generated funds**	$714,215	$714,215			$0	
(16) **Gains on disposal of capital assets**	$1,168,826	$0	$1,168,826	$0	$0	$0
(17) **Amortization of capital allocations**	$1,588,948	$22,962	$1,565,986	$0		$0
(18) **TOTAL REVENUES**	$49,152,696	$34,796,024	$8,037,247	$4,261,520	$1,952,133	$105,772
EXPENSES						
(19) **Certificated salaries**	$21,712,477	$21,381,852			$247,207	$83,418
(20) **Certificated benefits**	$2,275,797	$2,237,184			$29,774	$8,839
(21) **Uncertificated salaries and wages**	$9,007,693	$5,355,645	$1,915,425	$1,005,504	$731,119	$0
(22) **Uncertificated benefits**	$1,809,286	$1,121,919	$406,823	$125,489	$155,055	$0
(23) **SUB - TOTAL**	$34,805,253	$30,096,600	$2,322,248	$1,130,993	$1,163,155	$92,257
(24) **Services, contracts & supplies**	$8,998,153	$3,711,643	$2,299,996	$2,045,843	$929,229	$11,442
(25) **Cost recoveries between programs**	$0	$0	$0	$0	$0	$0
(26) **Net school generated funds**	$714,215	$714,215				
Capital and debt services						
Amortization of capital assets						
(27) Supported	$1,588,948	$22,962	$1,565,986	$0	$0	$0
(28) Unsupported	$1,178,485	$675,250	$85,160	$370,821	$47,254	$0
(29) Total Amortization	$2,767,433	$698,212	$1,651,146	$370,821	$47,254	$0
Interest on capital debt						
(30) Supported	$507,866	$0	$507,866	$0	$0	$0
(31) Unsupported	$0	$0	$0	$0	$0	$0
(32) Other interest charges	$7,364	$1,183	$148	$147	$5,886	$0
(33) Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34) **TOTAL EXPENSES**	$47,800,284	$35,221,853	$6,781,404	$3,547,804	$2,145,524	$103,699
(35) **EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$1,352,412	($425,829)	$1,255,843	$713,716	($193,391)	$2,073

School Jurisdiction Code: 1325

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$1,046,917
Base Instruction (Gr 1-12)	$25,585,473
Outreach Programs	$104,040
Home Education	$14,119
Differential Cost Funding *	$14,440,340
Other Provincial Support	
Institutional Programs	$127,972
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$41,698
Provincial Priority Targeted Funding	
Class Size Initiative	$1,238,159
Student Health Initiative (SHI)	$65,085
Alberta Initiative for School Improvement (AISI)	$729,838
High Speed Networking	$112,062
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$462,867
Other Alberta Education Revenues (describe):	$0
Total Alberta Education Revenues	$43,968,570

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 1325

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$20,430,542	$2,755,706	$2,630,345		$0	$1,413,610	$27,230,203
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$844,168	$764,228	$46,921		$0		$1,655,317
ECS Program Unit (PUF)	$0	$454,188	$283,746		$0		$737,934
Severe Disabilities (Gr 1-12)	$915,086	$2,468,364	$189,637		$0		$3,573,087
English as a Second Language	$0	$0	$0		$0		$0
French Language Program & Francisation (all jurisdictions)	$0	$0	$0		$0		$0
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$0	$71,968		$0		$71,968
Home Education	$0	$0	$9,215		$0		$9,215
Institutional Programs	$103,405	$33,009	$14,771		$0		$151,185
Alberta Initiative for School Improvement	$483,634	$2,069	$120,137	$162,666	$0		$768,506
Student Health Initiative	$0	$0	$0		$0		$0
High Speed Networking			$0		$0		$0
Class Size	$842,201	$0	$0	$0	$0		$842,201
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$0	$0	$0	$182,237	$0	$0	$182,237
TOTAL EXPENSES	$23,619,036	$6,477,564	$3,366,740	$344,903	$0	$1,413,610	$35,221,853

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	24.1	43.1
ECS Program Unit (PUF)	0.0	34.2
Severe Disabilities (Gr 1-12)	20.6	155.9

Note: 1 Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

2 Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 1325

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES	**$47,800,284**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.51%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,154,598

Considerations for Charter Schools and Small School Boards:

If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,154,598**
Less: 2005/2006 Board and System Administration expenses		-$2,145,524
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$9,074

School Jurisdiction Code: 1325

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$783,605
Source of Net School Generated Funds:	**Gross SGF**	**Related Expenses**	**Net SGF**	
Fundraising activities	$859,850	$0	$859,850	
Student fees (Non-Instructional) (Note 2)	$0	$0	$0	
Donations and grants to schools	$144,540	$57,707	$86,833	
Other (describe): Program Fees	$1,049,062	$1,133,167	($84,105)	
Net Additions to SGF	$2,053,452	$1,190,874		$862,578
Net SGF Available for Spending				$1,646,183
Application of Net School Generated Funds:				
Extra-curricular activities			$714,215	
School site beautification			$0	
Field Trips			$0	
Equipment			$0	
Family literacy and other community resources			$0	
Other (describe):			$0	
Net SGF Expended (Note 3)				$714,215
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$931,968

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 1325

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,280,562	$520,743	$0	$0	$114,120	$1,915,425		$1,915,425
Uncertificated benefits	$268,388	$114,942	$0	$0	$23,493	$406,823		$406,823
Sub-total Remuneration	$1,548,950	$635,685	$0	$0	$137,613	$2,322,248		$2,322,248
Contracted Services	$0	$140,530	$0	$274,630	$0	$415,160		$415,160
Supplies	$112,234	$286,457	$0	$188,237	$0	$586,928		$586,928
Electricity			$578,141			$578,141		$578,141
Natural Gas/Heating Fuel			$484,147			$484,147		$484,147
Sewer and Water			$101,107			$101,107		$101,107
Telecommunications			$21,809			$21,809		$21,809
Insurance					$112,704	$112,704		$112,704
Amortization of capital assets								
Supported							$1,565,986	$1,565,986
Unsupported						$85,160		$85,160
Total Amortization						$85,160	$1,565,986	$1,651,146
Interest on capital debt								
Supported							$507,866	$507,866
Unsupported				$0		$0		$0
Other interest charges						$148		$148
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						$0		$0
TOTAL EXPENSES	$1,661,184	$1,062,672	$1,185,204	$462,867	$250,317	$4,707,552	$2,073,852	$6,781,404
SQUARE METRES								
School Buildings								71,508.0
Non School Buildings								5,497.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'administration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 1325

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-2006
(SECTION 148.1 OF THE SCHOOL ACT)

		FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:									
Name	Mr. G. Kujala	0.0	$0	$0	$0			$0	$0
Name	Mr. H. Pearson	1.0	$11,483	$3,040	$0			$14,523	$6,669
Other Board Members:									
Name	Ms. M. Fisher	1.0	$13,149	$3,608	$0			$16,757	$9,064
Name	Ms. V. Jorgensen	1.0	$11,178	$3,493	$0			$14,671	$6,069
Name	Mr. G. Kujala	1.0	$17,271	$3,391	$0			$20,662	$8,530
Name	Ms. D. Oscar	1.0	$12,985	$3,595	$0			$16,580	$6,636
Name	Ms. M.J. Hofman	1.0	$17,224	$0	$0			$17,224	$5,609
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Name		0.0	$0	$0	$0			$0	$0
Subtotal		*6.0*	*$83,290*	*$17,127*	*$0*			*$100,417*	*$42,577*
Superintendent	J. Greg Thomas	1.0	$130,850	$10,004	$0	$0	$0	$140,854	$15,365
Superintendent		0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer	Cody G. McClintock	1.0	$113,500	$20,366	$0	$0	$0	$133,866	$10,253
Secretary/Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer		0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries		291.0	$21,581,627	$2,265,793	$0	$0	$0	$23,847,420	
Uncertificated Salaries & Wages		309.0	$8,810,903	$1,771,793	$0	$0	$0	$10,582,696	
TOTALS			**$30,720,170**	**$4,085,083**	**$0**	**$0**	**$0**	**$34,805,253**	

Note: Please refer to completion information on page 15.

School Jurisdiction Code: 54

AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2006

[School Act, Sections 147(2)(a), 148, 151(1) and 276]

WOLF CREEK SCHOOL DIVISION NO.72
Legal Name of School Jurisdiction

6000 Highway 2A Ponoka, Alberta T4J 1P6
Mailing Address

Phone (403)783-3473 Fax (403)783-3483
Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules WOLF CREEK SCHOOL DIVISION NO.72 (Name of School Jurisdiction) presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman
To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Kelly Lowry
Name

"ORIGINAL SIGNED"
Signature

SUPERINTENDENT

Dr. Larry Jacobs
Name

"ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

Joseph Henderson, CGA
Name

"ORIGINAL SIGNED"
Signature

28-Nov-06
Board-approved Release Date

c.c. **ALBERTA EDUCATION, Financial Reporting & Accountability Branch,**
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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ROWLAND, PARKER & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
BOX 4008
PONOKA, ALBERTA
T4J 1R5

AUDITORS' REPORT

To the Board of Trustees of
Wolf Creek School Division No. 72

We have audited the statement of financial position of the Wolf Creek School Division No. 72 as at August 31, 2006 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2006 and the result of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ponoka, Alberta
November 28, 2006

Signed________________________________
Chartered Accountants

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School Jurisdiction Code: 54

STATEMENT OF FINANCIAL POSITION

as at August 31, 2006

(in dollars)

		2006	2005
ASSETS			
Current assets			
Cash and temporary investments		$18,502,380	$15,848,314
Accounts receivable (net after allowances)		$1,041,306	$2,243,875
Prepaid expenses		$503,069	$301,534
Other current assets		$6,258	$6,509
Total current assets		$20,053,013	$18,400,232
School generated assets		$643,471	$720,994
Trust assets		$1,571,423	$1,263,021
Long term accounts receivable		$0	$0
Long term investments		$0	$0
Capital assets			
Land		$657,693	$663,906
Buildings	$65,561,393		
Less: accumulated amortization	($30,373,172)	$35,188,221	$35,808,771
Equipment	$1,713,414		
Less: accumulated amortization	($1,420,676)	$292,738	$365,262
Vehicles	$8,687,763		
Less: accumulated amortization	($4,714,642)	$3,973,121	$4,010,904
Total capital assets		$40,111,773	$40,848,843
TOTAL ASSETS		$62,379,680	$61,233,090
LIABILITIES			
Current liabilities			
Bank indebtedness		$0	$0
Accounts payable and accrued liabilities		$3,046,931	$3,076,646
Deferred revenue		$638,335	$747,293
Deferred capital allocations		$9,099,729	$9,789,031
Current portion of all long term debt		$353,295	$400,095
Total current liabilities		$13,138,290	$14,013,065
School generated liabilities		$643,471	$720,994
Trust liabilities		$1,571,423	$1,263,021
Employee future benefits liability		$0	$0
Long term payables and accrued liabilities		$0	$0
Long term debt			
Supported: Debentures and other supported debt		$3,232,667	$3,632,763
Less: Current portion of supported debt		($353,295)	($400,095)
Unsupported: Debentures and Capital Loans		$0	$0
Capital Leases		$0	$0
Mortgages		$0	$0
Less: Current portion of unsupported debt		$0	$0
Other long term liabilities		$0	$0
Unamortized capital allocations		$29,338,874	$29,513,597
Total long term liabilities		$34,433,140	$34,730,280
TOTAL LIABILITIES		$47,571,430	$48,743,345
NET ASSETS			
Unrestricted net assets		$799,894	$798,718
Operating Reserves		$5,975,749	$3,675,886
Accumulated Operating Surplus (Deficit)		$6,775,643	$4,474,604
Investment in capital assets		$7,540,237	$7,702,481
Capital Reserves		$492,370	$312,660
Total Capital Funds		$8,032,607	$8,015,141
Total net assets		$14,808,250	$12,489,745
TOTAL LIABILITIES AND NET ASSETS		$62,379,680	$61,233,090

Note: Input "(Restated)" in 2005 column heading where comparatives are not taken from the finalized 2004-2005 Audited Financial Statements.

School Jurisdiction Code: 54

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2006

(in dollars)

	Actual 2006	Budget 2006	Actual 2005
REVENUES			
Government of Alberta	$58,722,832	$56,318,541	$57,209,028
Federal Government and/or First Nations	$1,898,413	$1,719,518	$1,889,660
Other Alberta school authorities	$22,491	$0	$26,491
Out of province authorities	$0	$0	$0
Alberta Municipalities (excluding supplementary requisitions)	$205,605	$240,000	$218,569
Instruction resource fees	$832,006	$701,090	$784,946
Transportation fees	$213,907	$174,800	$110,882
Other sales and services	$726,499	$467,616	$560,976
Investment income	$386,000	$70,000	$219,953
Gifts and donations	$27,310	$2,500	$51,878
Rentals of facilities	$20,913	$6,827	$15,146
Net school generated funds	$1,170,255	$120,000	$1,264,013
Gains on disposal of capital assets	$235,238	$21,000	$0
Amortization of capital allocations	$1,856,049	$1,851,802	$1,633,100
Total Revenues	$66,317,518	$61,693,694	$63,984,642
EXPENSES			
Certificated salaries	$30,168,025	$30,574,052	$31,320,039
Certificated benefits	$3,110,826	$3,539,270	$3,278,808
Uncertificated salaries and wages	$12,384,321	$11,759,515	$11,934,666
Uncertificated benefits	$2,785,449	$2,687,063	$2,616,204
Services, contracts and supplies	$11,330,850	$10,838,216	$11,861,398
Net school generated funds	$1,170,255	$120,000	$1,264,013
Capital and debt services			
Amortization of capital assets			
Supported	$1,856,049	$1,851,902	$1,623,706
Unsupported	$847,462	$872,317	$748,018
Total Amortization of capital assets	$2,703,511	$2,724,219	$2,371,724
Interest on capital debt			
Supported	$345,481	$345,481	$386,829
Unsupported	$0	$0	$0
Total Interest on capital debt	$345,481	$345,481	$386,829
Other interest charges	$295	$100	$113
Losses on disposal of capital assets	$0	$0	$129,978
Total Expenses	$63,999,013	$62,587,916	$65,163,772
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	$2,318,505	($894,222)	($1,179,130)
Extraordinary Item	$0	$0	$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$2,318,505	($894,222)	($1,179,130)

Note: Input "(Restated)" in Budget 2006 and/or Actuals 2005 column headings where comparatives are not taken from the respective finalized 2005-2006 Budget Report and/or finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

School Jurisdiction Code: 54

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2006

(in dollars)

	2006	2005
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	$2,318,505	($1,179,130)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	($1,856,049)	($1,633,100)
Total amortization expense	$2,703,511	$2,371,724
Gains on disposal of capital assets	($235,238)	$0
Losses on disposal of capital assets	$0	$129,978
Changes in accrued accounts:		
Accounts receivable	$1,202,569	$65,663
Prepaids and other current assets	($201,284)	$130,086
Long term accounts receivable	$0	$0
Long term investments	$0	$0
Payables and accrued liabilities	($29,715)	$595,038
Deferred revenue	($108,958)	($355,354)
Employee future benefit expense (recovery)	$0	$0
Other (describe)		$0
Total sources (uses) of cash from Operations	$3,793,341	$124,905
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	($5,575)	($11,204)
Buildings	($1,330,723)	($1,462,947)
Equipment	($47,543)	($75,603)
Vehicles	($670,474)	($719,191)
Net proceeds from disposal of capital assets	$273,622	($4,231)
Other (describe)		$0
Total sources (uses) of cash from Investing activities	($1,780,693)	($2,273,176)
C. FINANCING ACTIVITIES		
Capital allocations	$641,419	$382,803
Issue of long term debt	$0	$0
Repayment of long term debt	($400,096)	($412,413)
Add back: supported portion	$400,095	$412,413
Other (describe)	$0	$0
Total sources (uses) of cash from Financing activities	$641,418	$382,803
Net sources (uses) of cash during year	$2,654,066	($1,765,468)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	$15,848,314	$17,613,782
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	$18,502,380	$15,848,314

Note: 1 Input "(Restated)" in 2005 column heading where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

2 Cash and temporary investments are net of cash obligations.

School Jurisdiction 54

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2006

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O& M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2005	$12,489,745	$7,702,481	$798,718	$3,988,546	$1,985,563	$1,750	$1,257,059	$888	$290,223	$126,093	$143,041	$183,929	$0	$0
Prior period adjustments (describe)														
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Adjusted Balance,Aug.31, 2005	$12,489,745	$7,702,481	$798,718	$3,988,546	$1,985,563	$1,750	$1,257,059	$888	$290,223	$126,093	$143,041	$183,929	$0	$0
Excess(def) of revenue over expenses	$2,318,505		$2,318,505											
Board funded capital transactions		$723,602	$0	($723,602)	$0	$0	($139,862)	$0	($23,568)	$0	($466,250)	($93,922)	$0	$0
Direct credits to net assets	$0	$0												
Amortization of capital assets		($2,703,511)	$2,703,511											
Amortization of capital allocations		$1,856,049	($1,856,049)											
Disposal of unsupported capital assets	$0	($38,384)	($14,248)	$52,632		$0		$40,455		$0		$12,177		$0
Disposal of supported capital assets (board funded portion)	$0	$0	($221,000)	$221,000		$0		$221,000		$0		$0		$0
Debt principal payments (unsupported)		$0	$0											
Net transfers to operating reserves			($3,164,781)	$3,164,781	$1,517,533		$832,644		$336,177		$478,427		$0	
Net transfers from operating reserves			$235,238	($235,238)	$0		($223,061)		$0		($12,177)		$0	
Net transfers to capital reserves			$0	$0		$0		$0		$0		$0		$0
Net transfers from capital reserves			$0	$0		$0		$0		$0		$0		$0
Balance at August 31, 2006	$14,808,250	$7,540,237	$799,894	$6,468,119	$3,503,096	$1,750	$1,726,780	$262,343	$602,832	$126,093	$143,041	$102,184	$0	$0

School Jurisdiction Code: 54

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2006

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2005	$9,789,031	$29,513,597
Prior period adjustment	$0	$0
Adjusted balance, August 31, 2005	$9,789,031	$29,513,597
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	$0	
Infrastructure & Transportation-School/Modular Project Capital *	$337,762	
Other Government of Alberta	$0	
Federal Government and/or First Nations	$0	
Other sources	$0	
Interest earned on provincial government capital allocations	$303,657	
Other capital grants and donations	$0	
Net Proceeds on disposal of supported capital assets	$0	
Insurance proceeds (and related interest)	$0	
Donated capital assets (amortizable, @ fair market value)		$0
Transferred in capital assets (amortizable, @ net book value)		$0
Current Year Debenture Principal Repayment		$400,095
Expended capital allocations - current year	($1,330,721)	$1,330,721
Less:		
Net book value of supported capital assets disposition, write-off, or transfer		$49,490
Capital allocations amortized to revenue		$1,856,049
Balance at August 31, 2006	$9,099,729	$29,338,874

* Exclude Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations from this Statement, since those contributions are not externally restricted to capital.

1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, and Chapter S-3.

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on certain funding allocations and administration expenses.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of accounting policies summarized below:

a. Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b. Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis at the following rates:

Building	2.5% to 4%
Equipment and Furnishings	10% and 20%
Vehicles and buses	10% and 20%

Capital assets with costs in excess of $5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

Summary of Significant Accounting Policies (continued...)

c. Inventories

Inventories are recorded at the lower of cost and net realizable value.

d. School Generated Funds

These are funds which come under the control and responsibility of the school principal for school activities. They are usually collected, retained, and expended at the school level (e.g. Yearbook sales, graduation fees, field trip fees, etc.)

e. Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

f. Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g. Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Wolf Creek School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of $ 695,059 for the year ended August 31, 2006. At December 31, 2005, the Local Authorities Pension Plan reported an actuarial deficiency of $863,558,000 (2004 deficiency of $1,288,924,000).

WOLF CREEK SCHOOL DIVISION #72

Notes to Financial Statements
August 31, 2006

h. Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

i. Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j. Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

k. Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. As a result of the adoption of this accounting policy, there was no financial impact on the jurisdiction.

l. Investments

Short term Investments are valued at the lower of cost and market value. Long term Investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, at market value.

3. Restricted Cash

Included in cash balances is unexpended capital funding grant receipts of $9,099,729 (2005 $9,789,031) and capital reserve funding in the amount of $492,370 (2005 $312,660). These funds are not available to fund current operations, as they must be expended on capital projects.

4. Accounts Receivable

	2006	2005
Other School Jurisdictions	23,701	-
Alberta Education	80,123	219,353
Alberta Infrastructure	-	1,093,475
Alberta Finance	140,388	160,116
Other Province of Alberta	8,800	8,800
Federal Government	329,188	329,597
First Nations	414,122	352,537
Alberta Municipalities	970	-
Other	44,014	79,997
	1,041,306	2,243,875

5. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

Operating Reserves	2005	Appropriated	Used	2006
School	1,985,565	1,517,533	-	3,503,098
Operations and maintenance	1,257,059	609,583	(139,862)	1,726,780
Board & system administration	290,223	336,177	(23,568)	602,832
Transportation	143,039	466,250	(466,250)	143,039
	3,675,886	2,929,543	(629,680)	5,975,749

Capital Reserves (Building, Vehicle and Equipment)	2005	Appropriated	Used	2006
School	1,750	-	-	1,750
Board and System Administration	126,093	-	-	126,093
Transportation	183,929	12,177	(93,922)	102,184
Alberta Infrastructure	888	261,455	-	262,343
	312,660	273,632	(93,922)	492,370

6. Capital Assets

Asset	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Land	657,693	-	657,693	663,906
Buildings	65,561,393	30,373,172	35,188,221	35,808,771
Vehicles	8,687,763	4,714,642	3,973,121	4,010,904
Equipment	1,713,414	1,420,676	292,738	365,262
Total	76,620,263	36,508,490	40,111,773	40,848,843

7. Accounts Payable and Liabilities

		2006	2005
Alberta Learning	$	100,214	98,793
Alberta Finance		140,388	167,403
Other Province of Alberta		1,044	0
Federal Government		10,086	6,894
Alberta Municipalities		35,711	46,260
Other Alberta School Jurisdictions		284,775	123,432
Other Trade payables and accrued liabilities		2,474,713	2,633,864
Total	$	3,046,931	3,076,646

8. Deferred Revenue

		2006	2005
Infrastructure Maintenance Program	$	293,162	455,314
VOIP Grant		150,000	22,060
Alberta Learning Aboriginal Grant		22,060	1,445
Other		173,113	268,474
Total	$	638,335	747,293

9. Trust Assets and Liabilities

		2006	2005
Deferred Salary Leave Plan	$	92,979	44,431
Scholarship trusts		408,927	275,505
Student health initiative trust (banker board)		986,984	932,658
Other Trust Accounts		82,428	10,427
Total	$	1,571,318	1,263,021

10. Long Term Debt

1. Debenture Debt - Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture principal payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2006-2007	353,295	324,035	677,330
2007 to 2008	353,295	288,010	641,305
2008 to 2009	332,595	251,985	584,580
2009 to 2010	329,945	218,264	548,209
2010 to 2011	329,945	184,824	514,769
2011 to Maturity	1,533,592	850,000 (Estimated)	2,383,592
Total	3,232,667	2,117,118	5,349,785

11. Deferred Capital Allocations

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the jurisdiction, but the related expenditure has not been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

12. Unamortized Capital Allocations

Unamortized capital allocations represent externally restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended and fully supported debenture principal repayments.

13. Contingencies

i) The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

ii) A former employee of the school jurisdiction has filed a claim against the school jurisdiction in the amount of $1.5 million. The amount and likelihood of this claim being successful cannot be determined as of the date of reporting and no provision has been made in the financial statements for any portion of this potential claim.

14. Commitments and Contractual Obligations

A. Leases:

The school jurisdiction has entered into various operating leases for certain equipment and real estate. Annual rentals payable under long-term lease agreements are as follows for the year ending in:

2006/2007	$ 289,234
2007/2008	289,234
2008/2009	289,234
2009/2010	231,061
2010/2011	207,561
Subsequent	$ 108,000

B. Contractual Obligations:

(a) The school division has entered into contracts with various companies to provide janitorial and building climate control services. The annual cost of the contracts over their remaining terms is as follows:

Fiscal Year	Amount of Obligation
2006/2007	$ 520,880
2007/2008	524,555
2008/2009	441,916
2009/2010	$ 362,830

(b) The school division has also entered into contracts with various contractors to provide busing services for students. The annual cost of the busing contracts over the remaining terms of the contracts is as follows:

2006/2007	$ 885,416
2007/2008	$ 907,551

Commitments and Contractual Obligations (continued...)

(c) The Wolf Creek School Division has negotiated a collective agreement contract with the Alberta Teachers Association for the term September 1, 2004 to August 31, 2007. The terms of this agreement require incremental wage rate increases as follows:

March 1, 2006	1.00%
September 1, 2006	2.00%
March 1, 2007	1.00%

(d) The school division is committed to further capital expenditures for the modernization of the Lacombe Composite High School in the amount of $15,367,000 plus GST. It is anticipated that these costs will be fully funded by capital allocations from Alberta Education.

15. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Wolf Creek School Division had related party transactions for the year ended August 31, 2006 on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
2005-2006	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	220,511	748,655	52,969,304	182,508
Infrastructure & Transportation	0	0	5,142,326	0
Finance	0	3,232,667	345,481	363,111
Health & Wellness	0	(7,440)	256,921	0
Human Resources/Employment	8,800	0	8,800	62
Other Gov't of Alberta Departments	0	0	0	160
Other	0	0	0	0
Health authorities	0	0	0	29,063
Post-secondary institutions	0	0	0	8,616
Other Alberta school jurisdictions	23,701	284,775	22,491	67,130
Other related parties	970	55,666	205,605	210,806
Total 2005-2006	$253,982	$4,314,323	$58,950,928	$861,456
Total 2004-2005	$1,481,743	$4,650,131	$57,454,088	$912,225

16. Economic Dependence on Related Party

The Wolf Creek School Division's primary source of income is derived from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

17. Budget Amounts

The School jurisdiction management prepared the budget with approval granted by the Board of Trustees. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS

School Jurisdiction Cod 54

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2005-2006

	REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1)	**Alberta Education**	$52,969,304	$44,974,716	$1,118,289	$4,531,130	$2,244,311	$100,858
(2)	**Alberta Infrastructure & Transportation**	$5,142,326	$0	$5,142,326			
(3)	**Alberta Finance**	$345,481		$345,481			$0
(4)	**Other - Government of Alberta**	$265,721	$256,921	$8,800	$0	$0	$0
(5)	**Federal Government and/or First Nations**	$1,898,413	$1,703,785	$202,386	$0	($7,758)	$0
(6)	**Other Alberta school authorities**	$22,491	$22,491	$0	$0	$0	$0
(7)	**Out of province authorities**	$0	$0	$0	$0	$0	$0
(8)	**Alberta municipalities** (excl. supplementary requisitions)	$205,605	$205,605	$0	$0	$0	$0
(9)	**Instruction resource fees**	$832,006	$832,006				
(10)	**Transportation fees**	$213,907			$213,907		
(11)	**Other sales and services**	$726,499	$503,209	$3,612	$1,124	$218,554	$0
(12)	**Investment income**	$386,000	$334,219	$49,212	$0	$2,569	$0
(13)	**Gifts and donations**	$27,310	$27,310	$0	$0		$0
(14)	**Rentals of facilities**	$20,913	$16,728	$4,185	$0	$0	$0
(15)	**Net school generated funds**	$1,170,255	$1,170,255			$0	
(16)	**Gains on disposal of capital assets**	$235,238	$0	$223,061	$12,177	$0	$0
(17)	**Amortization of capital allocations**	$1,856,049	$28,524	$1,827,525	$0		$0
(18)	**TOTAL REVENUES**	$66,317,518	$50,075,769	$8,924,877	$4,758,338	$2,457,676	$100,858
	EXPENSES						
(19)	**Certificated salaries**	$30,168,025	$29,677,873			$490,152	$0
(20)	**Certificated benefits**	$3,110,826	$3,072,864			$37,962	$0
(21)	**Uncertificated salaries and wages**	$12,384,321	$7,845,048	$1,805,981	$1,955,673	$769,036	$8,583
(22)	**Uncertificated benefits**	$2,785,449	$1,897,070	$419,451	$307,985	$158,682	$2,261
(23)	**SUB - TOTAL**	$48,448,621	$42,492,855	$2,225,432	$2,263,658	$1,455,832	$10,844
(24)	**Services, contracts & supplies**	$11,330,850	$4,766,906	$3,741,248	$2,067,308	$665,374	$90,014
(25)	**Cost recoveries between programs**	$0	$98,510	($47,454)	($51,056)	$0	$0
(26)	**Net school generated funds**	$1,170,255	$1,170,255				
	Capital and debt services						
	Amortization of capital assets						
(27)	Supported	$1,856,049	$28,524	$1,827,525	$0	$0	$0
(28)	Unsupported	$847,462	$63,625	$42,543	$663,979	$77,315	$0
(29)	Total Amortization	$2,703,511	$92,149	$1,870,068	$663,979	$77,315	$0
	Interest on capital debt						
(30)	Supported	$345,481	$0	$345,481	$0	$0	$0
(31)	Unsupported	$0	$0	$0	$0	$0	$0
(32)	Other interest charges	$295	$0	$0	$0	$295	$0
(33)	Losses on disposal of capital assets	$0	$0	$0	$0	$0	$0
(34)	**TOTAL EXPENSES**	$63,999,013	$48,620,675	$8,134,775	$4,943,889	$2,198,816	$100,858
(35)	**EXCESS (DEFICIENCY) BEFORE EXTRAORDINARY ITEM**	$2,318,505	$1,455,094	$790,102	($185,551)	$258,860	$0

School Jurisdiction Code: 54

SCHEDULE B to the AFS

ALBERTA EDUCATION REVENUE 2005-2006

	TOTAL
Base Funding	
Early Childhood Services (ECS)	$2,125,783
Base Instruction (Gr 1-12)	$38,657,599
Outreach Programs	$156,060
Home Education	$42,653
Differential Cost Funding *	$7,522,536
Other Provincial Support	
Institutional Programs	$363,156
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	$0
Learning Resources Credit Allocation	$48,202
Provincial Priority Targeted Funding	
Class Size Initiative	$1,444,620
Student Health Initiative (SHI)	$267,858
Alberta Initiative for School Improvement (AISI)	$984,426
High Speed Networking	$201,254
Children and Youth with Complex Needs	$0
Infrastructure Maintenance Renewal (IMR)	$0
Other Alberta Education Revenues (describe) French Funding/ Plant Operations	$1,155,157
Total Alberta Education Revenues	$52,969,304

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for eligible students and early childhood services children with severe disabilities, enrolled children with mild or moderate disabilties/delays or who are gifted & talented, early childhood services and gr 1-12 student aboriginal learners that are off reserves, Francisation for students and children and Francophone equivalency access funding for students within francophone authorities (excluding French language program funding or other funding provided under Official Languages in Education Program agreement between Canada and Alberta -which is revenue from Federal Government and not Alberta Education), English as a second language for enrolled students and children, enhanced English as a second language and Francisation and support services for immigrant students, the percentage of the student population experiencing low socio-economic status, daily physical activity, Hutterite Colony schools, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and adjustments for cost differences among school jurisdictions for costs of goods & services.

School Jurisdiction Code: 54

SCHEDULE C to the AFS

ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2005-2006

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies [1]	Learning Resources	Cost Recoveries between programs	Other Expenses [2]	TOTAL EXPENSES
School Administration & All Instruction Support	$3,102,859	$3,510,940	$1,397,959		$0	$0	$8,011,758
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	$2,199,203	$591,964	$27,434		$0		$2,818,601
ECS Program Unit (PUF)	$88,000	$642,149	$170,238		$0		$900,387
Severe Disabilities (Gr 1-12)	$2,022,755	$3,399,100	$164,644		$0		$5,586,499
English as a Second Language	$79,100	$47,887	$1,298		$0		$128,285
French Language Program & Francisation (all jurisdictions)	$0	$13,904	$12,521		$0		$26,425
First Nations, Metis and Inuit Education (ECS - Gr 12)	$0	$114,894	$0		$0		$114,894
Home Education	$85,740	$0	$32,988		$0		$118,728
Institutional Programs	$285,529	$173,691	$32,405		$0		$491,625
Alberta Initiative for School Improvement	$721,987	$58,830	$195,516	$8,092	$0		$984,425
Student Health Initiative	$0	$167,000	$0		$0		$167,000
High Speed Networking			$200,876		$0		$200,876
Class Size	$1,449,829	$0	$0	$0	$0		$1,449,829
Children and Youth with Complex Needs (ECS - Gr 12)	$0	$0	$0		$0		$0
All Other Student Instruction Expenses (ECS - Gr 12)	$22,715,735	$1,021,759	$2,522,936	$0	$98,510	$1,262,404	$27,621,344
TOTAL EXPENSES	$32,750,737	$9,742,118	$4,758,814	$8,092	$98,510	$1,262,404	$48,620,675

FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	27.7	18.3
ECS Program Unit (PUF)	1.0	21.4
Severe Disabilities (Gr 1-12)	25.6	105.3

Note:

[1] Services, Contracts & Supplies expenses exclude learning resources, as they are reported on separately.

[2] Other Expenses include net school generated funds, amortization, interest, and losses on disposal of instruction program capital assets.

School Jurisdiction Code: 54

SCHEDULE D to the AFS
BOARD AND SYSTEM ADMINISTRATION
2005-2006 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES		**$63,999,013**

STEP 1

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over	= 4%	**4.00%**
If "Total Net Enrolled Students" are 2,000 and less	= 6%	

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 2

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		$2,559,961
Considerations for Charter Schools and Small School Boards:		
If **Charter School**, enter $57,222	$0	$0
If **School Board**, please enter your 2005-2006 Gr 1- 12 funded enrolment	0	
	$0	$0
2005-2006 MAXIMUM EXPENSE LIMIT		**$2,559,961**
Less: 2005/2006 Board and System Administration expenses		-$2,198,816
2005-2006 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT		$361,145

School Jurisdiction Code: 54

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2005-2006

	Gross SGF	Related Expenses	Net SGF	
Unexpended SGF - Opening Balance August 31, 2005 (Note 1)				$720,994
Source of Net School Generated Funds:				
Fundraising activities	$830,482	$420,957	$409,525	
Student fees (Non-Instructional) (Note 2)	$565,895	$0	$565,895	
Donations and grants to schools	$116,490	$0	$116,490	
Other (describe):	$176,620	$175,798	$822	
Net Additions to SGF	$1,689,487	$596,755		$1,092,732
Net SGF Available for Spending				$1,813,726
Application of Net School Generated Funds:				
Extra-curricular activities			$875,566	
School site beautification			$5,775	
Field Trips			$128,163	
Equipment			$110,478	
Family literacy and other community resources			$20,645	
Other (describe):			$29,629	
Net SGF Expended (Note 3)				$1,170,255
Unexpended SGF - Closing Balance August 31, 2006 (Note 4)				$643,471

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)

Note 1 Input "(Restated)" beside Balance at August 31, 2005 where not taken from the finalized 2004-2005 Audited Financial Statements filed with Alberta Education.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.

Note 3 Net SGF Expended is reported as revenue and expense in the Statement of Revenues & Expenses.

Note 4 Unexpended SGF is reported as school generated assets and liabilities in the Statement of Financial Position.

School Jurisdiction Code: 54

SCHEDULE F to the AFS
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2005-2006

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	$1,070,862	$521,575	$0	($17,966)	$231,510	$1,805,981		$1,805,981
Uncertificated benefits	$252,809	$119,073	$0	($3,890)	$51,459	$419,451		$419,451
Sub-total Remuneration	$1,323,671	$640,648	$0	($21,856)	$282,969	$2,225,432		$2,225,432
Contracted Services	$297,428	$566,389	$0	$0	$142,767	$1,006,584		$1,006,584
Supplies	$175,741	$330,759	$0	$670,547	$38,625	$1,215,672		$1,215,672
Electricity			$628,133			$628,133		$628,133
Natural Gas/Heating Fuel			$623,966			$623,966		$623,966
Sewer and Water			$112,805			$112,805		$112,805
Telecommunications			$22,635			$22,635		$22,635
Insurance					$131,453	$131,453		$131,453
Amortization of capital assets								
Supported							$1,827,525	$1,827,525
Unsupported						$42,543		$42,543
Total Amortization						$42,543	$1,827,525	$1,870,068
Interest on capital debt								
Supported							$345,481	$345,481
Unsupported				$0		$0		$0
Other interest charges						$0		$0
Losses on disposal of capital assets						$0		$0
Cost recoveries between programs						($47,454)		($47,454)
TOTAL EXPENSES	$1,796,840	$1,537,796	$1,387,539	$648,691	$595,814	$5,961,769	$2,173,006	$8,134,775
SQUARE METRES								
School Buildings								0.0
Non School Buildings								0.0

Note:

Custodial:	All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
Maintenance:	All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
Utilities & Telecommunications:	All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
Expensed IMR & Modular Unit Relocations:	All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
Facility Planning & Operations Administration:	All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facilty planning & project 'edministration', administration of joint-use agreements,and all expenses related to ensuring compliance with health and safety statndards, codes and government regulations.
Supported Capital & Debt Services:	All expenses related to supported capital assets amortization and interest on supported capital debt.

School Jurisdiction Code: 54

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2005-2006
(SECTION 148.1 OF THE SCHOOL ACT)

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name Kelly Lowry	1.0	$17,579	$4,389	$0			$21,968	$5,015
Name	0.0	$0	$0	$0			$0	$0
Other Board Members:								
Name Trudy Bratland	1.0	$16,553	$3,484	$0			$20,037	$8,300
Name Karin Engen	1.0	$17,438	$4,384	$0			$21,822	$9,711
Name Bob Huff	1.0	$16,087	$372	$0			$16,459	$8,149
Name Lorrie Jess	1.0	$17,392	$3,515	$0			$20,907	$7,287
Name Donna Peterson	1.0	$15,900	$1,475	$0			$17,375	$7,571
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Name	0.0	$0	$0	$0			$0	$0
Subtotal	*6.0*	*$100,949*	*$17,619*	*$0*			*$118,568*	*$46,033*
Superintendent Larry Jacobs	1.0	$132,384	$9,769	$0	$0	$0	$142,153	$11,492
Superintendent	0.0	$0	$0	$0	$0	$0	$0	$0
Secretary/Treasurer Joseph Henderson	1.0	$112,991	$20,003	$0	$0	$0	$132,994	$4,979
Secretary/Treasurer	0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	0.0	$0	$0	$0	$0	$0	$0	$0
Board Secretary	0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer	0.0	$0	$0	$0	$0	$0	$0	$0
Board Treasurer	0.0	$0	$0	$0	$0	$0	$0	$0
Certificated Salaries	431.0	$30,035,641	$3,101,057	$0	$0	$0	$33,136,698	
Uncertificated Salaries & Wages	382.5	$12,170,381	$2,747,827	$0	$0	$0	$14,918,208	
TOTALS		**$42,552,346**	**$5,896,275**	**$0**	**$0**	**$0**	**$48,448,621**	

Note: Please refer to completion information on page 15.